華脈無線通信有限公司 *

HYCOMM WIRELESS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 0499)

RESULTS ANNOUNCEMENT FOR YEAR ENDED 31 MARCH 2007

The Board of Directors (the "Board") of HyComm Wireless Limited (the "Company") announces that the audited consolidated results for the year ended 31 March 2007 of the Company and its subsidiaries (collectively referred to as the "Group") together with the comparative figures for the previous corresponding year are as follows:-

CONSOLIDATED INCOME STATEMENT

		For year ended 31 March	
		2007	2006
	Notes	***HK$'000***	*HK$'000*
Turnover	2	**13,206**	12,673
Other operating income		**439**	2,282
Operating costs		**(11,682)**	(14,442)
Staff costs		**(6,242)**	(6,647)
Amortisation of prepaid lease payment		**(71)**	(71)
Surplus arising on revaluation of investment properties		**18,250**	45,250
Surplus arising on revaluation of properties, plant and equipment		**285**	21
Impairment loss recognised in respect of interest in leasehold land held for own use under operating lease		**(13,936)**	-
Impairment loss recognised in respect of other assets		**(336)**	(505)
Impairment loss recognised in respect of goodwill		**-**	(2,212)
(Loss)/profit from operating activities	3	**(87)**	36,349
Profit on disposal of investment properties		**-**	5,793
Loss on disposal of a subsidiary		**(480)**	-
Finance costs		**(6,815)**	(6,321)
Share of results of associates		**(2)**	(13)
(Loss)/profit before taxation	2	**(7,384)**	35,808
Taxation	4	**219**	245
(Loss)/profit for the year		**(7,165)**	36,053
Attributable to:			
Equity shareholders of the Company		**(8,509)**	35,377
Minority interests		**1,344**	676
		(7,165)	36,053
(Loss)/earnings per share - basis	5	**(0.29) cents**	1.19 cents

* *for identification only*

CONSOLIDATED BALANCE SHEET

	As at 31 March	
	2007	2006
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Investment properties	**216,000**	206,750
Property, plant and equipment	**7,600**	4,944
Interest in leasehold land held for own use under operating lease	**13,215**	27,222
Interest in associates	**2,812**	1,769
Available-for-sale financial assets	**13,537**	2,650
	253,164	243,335
CURRENT ASSETS		
Receivables, deposits and prepayments	**1,143**	1,161
Bank and cash balances	**642**	282
	1,785	1,443
CURRENT LIABILITIES		
Payables and accrued charges	**18,609**	16,480
Deposits received	**1,115**	783
Amounts due to former shareholders	**4,295**	4,295
Amount due to a director	**17,244**	416
Bank borrowings - due within one year	**20,040**	21,710
Other borrowings - due within one year	**556**	632
Current taxation	**1,148**	1,167
	63,007	45,483
NET CURRENT LIABILITIES	**(61,222)**	(44,040)
TOTAL ASSETS LESS CURRENT LIABILITIES	**191,942**	199,295
NON-CURRENT LIABILITIES		
Bank borrowings - due after one year	**72,255**	82,555
Other borrowings - due after one year	**-**	556
Deferred tax liabilities	**4,185**	4,404
	76,440	87,515
	115,502	111,780
CAPITAL AND RESERVES		
Share capital	**298,064**	298,064
Share premium and reserves	**(184,845)**	(187,223)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	**113,219**	110,841
MINORITY INTERESTS	**2,283**	939
	115,502	111,780

Notes:-

(1) Significant accounting policies

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2006. The adoption of the new/revised HKFRSs did not result in significant changes to the Group's accounting policies applied in these financial statements.

The Group has not yet applied the new/revised HKFRSs that have been issued but not yet been effective. The directors of the Company anticipated that the application of these new/revised HKFRSs will have no material impact on the financial statements of the Group.

(2) Segmental information

Analysis of the Group's turnover and contribution therefrom for the year are as follows:

	Turnover		Contribution to profit/(loss) before taxation	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Leasing of properties	**5,556**	7,359	**1,217**	2,203
Income from short message services	**7,323**	5,256	**3,361**	1,702
Sale of goods	**327**	58	**(1,670)**	(2,210)
	13,206	12,673	**2,908**	1,695
Unallocated other income			**23**	113
Unallocated corporate expenses			**(7,210)**	(7,942)
Amortisation of prepaid land premium			**(71)**	(71)
Surplus arising on revaluation of investment properties			**18,250**	45,250
Surplus arising on revaluation of properties, plant and equipment			**285**	21
Impairment loss recognised in respect of interest in leasehold land held for own use under operating lease			**(13,936)**	-
Impairment loss recognised in respect of other assets			**(336)**	(505)
Impairment loss recognised in respect of goodwill			**-**	(2,212)
Profit on disposal of investment properties			**-**	5,793
Loss on disposal of a subsidiary			**(480)**	-
Finance costs			**(6,815)**	(6,321)
Share of results of associates			**(2)**	(13)
(Loss)/profit before taxation			**(7,384)**	35,808

Most of the activities of the Group are based in Hong Kong and most of the Group's turnover and the (loss)/profit before taxation are mainly derived from the People's Republic of China (the "PRC"), including Hong Kong.

(3) (Loss)/profit from operating activities

The Group's (loss)/profit from operating activities has been arrived at after charging:

	2007	2006
	HK$'000	*HK$'000*
Auditors' remuneration	**495**	443
Staff costs (including directors' emoluments)	**6,242**	6,647
Depreciation	**2,514**	4,014
Operating lease charges in respect of rented premises	**1,154**	1,130

(4) Taxation

	2007	2006
	HK$'000	*HK$'000*
The credit/(charge) comprises:		
Hong Kong Profits Tax	**-**	407
Taxation in other regions in the PRC	**-**	-
Deferred tax	**219**	(162)
	219	245

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for the year. Taxation arising in other regions in the PRC is calculated at the rates prevailing in the relevant regions in the PRC.

(5) (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the year attributable to the equity shareholders of the Company of HK$8,509,000 (2006: profit of HK$35,377,000) and on the weighted average number of 2,980,639,015 shares (2006: 2,980,639,015 shares) in issue during the year.

Diluted (loss)/earnings per share has not been presented as there was no dilutive potential ordinary share in existence during both years.

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2007 (2006: nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held at Macau Jockey Club of 1st Floor East Wing Shun Tak Centre, 200 Connaught Road Central, Hong Kong at 3:30 p.m. on Friday, 31 August 2007.

The Register of Members will be closed for the period from Monday, 27 August 2007 to Friday, 31 August 2007, both days inclusive, during which no transfer of shares will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars, Secretaries Limited, 26/F. Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 24 August 2007.

REVIEW AND PROSPECTS

During the year ended 31 March 2007, the Group was principally engaged in the business of property investment and development, short message services and trading of communication products. The Group recorded turnover for the year of approximately HK$13.2 million and loss for the year of approximately HK$7.2 million. Loss for the year is mainly attributable to less surplus arising on revaluation of investment properties and impairment loss recognised in respect of interest in leasehold land held for own use under operating lease during the year.

Business review and prospects

During the period under review, the increase in turnover by approximately HK$0.5 million is mainly attributable to the increase in income from short message services by approximately HK$2.1 million and decrease of rental income by approximately HK$1.8 million. The record of loss for the year of approximately HK$7.2 million was mainly due to less surplus arising on revaluation of investment properties and impairment loss recognised in respect of interest in leasehold land held for own use under operating lease during the year. The investment properties have, to certain extent, 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.

While increase of the properties value still 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.

Liquidity, financial resources, pledge of assets and contingent liabilities

The Group has bank and cash balances of approximately HK$642,000 as at 31 March 2007. The Group's major liabilities are bank borrowings and its bank borrowings outstanding at 31 March 2007 amounted to approximately HK$92 million, representing a decrease of approximately HK$12 million as compared with the amounts outstanding at 31 March 2006. During the year, there is no material change in the level of bank borrowings of the Group and its gearing level (total liabilities over equity attributable to the shareholders of the Company) changed from 1.20 at 31 March 2006 to 1.23 at 31 March 2007. The borrowings outstanding at 31 March 2007 are secured by certain properties held by the Group and denominated in Hong Kong dollar only. As at 31 March 2007, 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 2007, the Group had 13 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 discretion of the Board.

EXTRACT OF THE REPORT OF THE AUDITORS

The following is an extract from the modified report of the auditors dated 19 July 2007 which is to be included in the forthcoming annual report.

"Material uncertainty concerning going concern basis of accounting

Without qualifying our opinion, we draw attention to Note 2 to the financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As explained in Note 2 to the financial statements, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing support from the Group's bankers and the Group's ability to generate sufficient cash flows from future operations to cover the Group's operating costs and to meet its financial commitments. The consolidated financial statements do not include any adjustments that would result from the failure of such measures. Details of the circumstances relating to this material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern are described in Note 2 to the consolidated financial statements."

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

As at 31 March 2007, the Company has complied with the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") except the followings:

Code provision A.2.1 of the Code: The roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not separate the roles of chairman and managing director and Mr. Lai Yiu Keung currently holds both positions. The Board is in the opinion that the combination of the roles of chairman and managing director can ensure the efficient formulation and implementation of the Company's strategies to identify and follow-up on business opportunities. Such arrangement is also deemed to enable the Company to meet the rapidly changing business environment which necessitates prompt and efficient decision making.

Code provision A.4.2 of the Code: Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to the Company's Bye-Laws, at every annual general meeting, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that no director holding the office as chairman and/or managing director shall be subject to retirement by rotation or be taken into account in determining the number of directors to retire. The Board is in the opinion that the continuity of office of the chairman or managing director provides the Group with strong and consistent leadership and smoothes the operations of the Group.

Code provision B.1.1 of the Code: The Company should established a remuneration committee with specific terms of reference which deal clearly with its authority and duties and a majority of the members of the remuneration committee should be independent non-executive directors. The Board is in the opinion that establishment of a remuneration committee as required by this provision doss not really benefit to the Group after due consideration of the size of the Group and the associated costs involved.

AUDIT COMMITTEE

The audit committee of the Company comprises of three independent non-executive directors. The primary duties of the audit committee are review and advice on the accounting principles and practices adopted by the Group, auditing, financial reporting process and internal control system of the Group, including review of the results for the year ended 31 March 2007.

PUBLICATION OF FINAL RESULTS, ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

This annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited ("HKEx") at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.hycomm-wireless.com. The annual report for the year ended 31 March 2007 containing all the information required by the Listing Rules, a circular in respect of general mandate to issue new shares and repurchase shares and re-election of directors and the notice of annual general meeting will be published on the websites of the HKEx and the Company and dispatched to shareholders of the Company in due course.

By Order of the Board
Lai Yiu Keung
Chairman and Managing Director

Hong Kong, 19 July 2007

As at the date of this announcement, the executive directors of the Company are Mr. Lai Yiu Keung, Ms. Chung Lai Ha, Mr. Kwok Chong, Anthony and Mr. Lai Man Kon and the independent non-executive directors of the Company are Mr. Li Mow Ming, Sonny, Mr. Chan Kwok Kay and Mr. Ng Wai Hung.