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HYCOMM WIRELESS LIMITED

華脈無線通信有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00499)

RESULTS ANNOUNCEMENT FOR YEAR ENDED 31 MARCH 2010

The Board of Directors (the "Board") of HyComm Wireless Limited (the "Company") announces that the audited consolidated results for the year ended 31 March 2010 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 Statement of Comprehensive Income
Year ended 31 March 2010

	Notes	**2010** **HK$'000**	2009 *HK$'000*
Continuing operations			
Turnover	2	**9,531**	12,648
Revaluation gains/(losses) on investment properties		**21,140**	(25,721)
Other revenue	3	**1,797**	4,299
Other gains/(losses), net	3	**26,954**	(31,194)
Operating costs		**(9,438)**	(17,268)
Profit/(loss) from operations		**49,984**	(57,236)
Finance costs		**(1,414)**	(19,308)
Profit/(loss) before taxation	5	**48,570**	(76,544)
Taxation	6	**(5,093)**	63
Profit/(loss) for the year from continuing operations		**43,477**	(76,481)
Discontinued operations			
Profit for the year from discontinued operations		**–**	1,370
Profit/(loss) for the year		**43,477**	(75,111)
Other comprehensive income for the year			
Available-for-sale financial assets:			
– Changes in fair value during the year		**9,980**	12,354
– Realisation of change in fair value on disposal		**(6,210)**	–
Other comprehensive income for the year, net of tax		**3,770**	12,354
Total comprehensive income for the year		**47,247**	(62,757)

* *for identification purposes only*

	Notes	**2010**	2009
		HK$'000	*HK$'000*
Profit/(loss) attributable to:			
Equity holders of the Company			
– from continuing operations		**43,471**	(76,499)
– from discontinued operations		**–**	664
		43,471	(75,835)
Non-controlling interests			
– from continuing operations		**6**	18
– from discontinued operations		**–**	706
		6	724
Profit/(loss) for the year		**43,477**	(75,111)
Total comprehensive income attributable to:			
Equity holders of the Company			
– from continuing operations		**47,241**	(64,145)
– from discontinued operations		**–**	664
		47,241	(63,481)
Non-controlling interests			
– from continuing operations		**6**	18
– from discontinued operations		**–**	706
		6	724
Total comprehensive income for the year		**47,247**	(62,757)
Earnings/(loss) per share from continuing and discontinued operations attributable to equity holders of the Company for the year (expressed in HK cents)	*7*		
Basic earnings/(loss) per share			
From continuing operations		**8.71**	(78.08)
From discontinued operations		**–**	0.68
		8.71	(77.40)
Diluted earnings/(loss) per share			
From continuing operations		**N/A**	N/A
From discontinued operations		**N/A**	N/A
		N/A	N/A

Consolidated Statement of Financial Position
At 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Investment properties		**79,980**	58,840
Available-for-sale financial assets		**23,682**	33,412
		103,662	92,252
Current assets			
Trade and other receivables	*8*	**7,213**	17,322
Time deposits with maturity over 3 months		**180,438**	39,537
Cash at bank and on hand		**62,666**	139,803
		250,317	196,662
Assets classified as held for sale	*9*	**–**	85,291
		250,317	281,953
Current liabilities			
Other payables and accrued charges	*10*	**1,747**	50,689
Bank borrowings		**1,616**	1,364
		3,363	52,053
Liabilities associated with assets classified as held for sale	*9*	**–**	59,592
		3,363	111,645
Net current assets		**246,954**	170,308
Total assets less current liabilities		**350,616**	262,560

	Notes	2010 HK$'000	2009 HK$'000
Non-current liabilities			
Other payables	*10*	**36,725**	–
Bank borrowings		**23,674**	24,683
Deferred tax liabilities		**5,093**	–
		65,492	24,683
Net assets		**285,124**	237,877
Capital and reserves			
Share capital		**49,928**	49,928
Reserves		**235,172**	187,931
Total equity attributable to equity holders of the Company		**285,100**	237,859
Non-controlling interests		**24**	18
Total equity		**285,124**	237,877

Consolidated Statement of Changes in Equity
Year ended 31 March 2010

	Share capital HK$'000	Share premium HK$'000	Surplus account HK$'000	Capital reserve HK$'000	Fair value reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 April 2008	416,064	498,941	255,025	9,877	–	(971,226)	208,681	3,157	211,838
Comprehensive income									
Profit/(loss) for the year	–	–	–	–	–	(75,835)	(75,835)	724	(75,111)
Other comprehensive income									
Change in fair value of available-for-sale financial assets	–	–	–	–	12,354	–	12,354	–	12,354
Total comprehensive income	–	–	–	–	12,354	(75,835)	(63,481)	724	(62,757)
Transactions with owners									
Capital reduction	(411,903)	–	–	–	–	411,903	–	–	–
Share premium cancellation	–	(411,903)	–	–	–	411,903	–	–	–
Issue of shares on open offer	2,080	38,633	–	–	–	–	40,713	–	40,713
Rights issue of shares	43,687	18,136	–	–	–	–	61,823	–	61,823
Early redemption of convertible notes	–	–	–	(9,877)	–	–	(9,877)	–	(9,877)
Disposal of subsidiaries	–	–	–	–	–	–	–	(3,863)	(3,863)
Total transactions with owners	(366,136)	(355,134)	–	(9,877)	–	823,806	92,659	(3,863)	88,796
Balance at 31 March 2009 and at 1 April 2009	49,928	143,807	255,025	–	12,354	(223,255)	237,859	18	237,877
Comprehensive income									
Profit for the year	–	–	–	–	–	43,471	43,471	6	43,477
Other comprehensive income									
Change in fair value of available-for-sale financial assets	–	–	–	–	9,980	–	9,980	–	9,980
Realisation of change in fair value of available-for-sale financial assets on disposal	–	–	–	–	(6,210)	–	(6,210)	–	(6,210)
Total other comprehensive income	–	–	–	–	3,770	–	3,770	–	3,770
Total comprehensive income	–	–	–	–	3,770	43,471	47,241	6	47,247
Balance at 31 March 2010	49,928	143,807	255,025	–	16,124	(179,784)	285,100	24	285,124

Notes:–

(1) APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKAS 1 (revised 2007), Presentation of financial statements
- HKAS 23 (revised 2007), Borrowing costs
- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to HKFRS 2, Share-based payment – vesting conditions and cancellations
- Amendments to HKFRS 7, Financial Instruments: Disclosures – improving disclosures about financial instruments
- HKFRS 8, Operating segments
- Improvements to HKFRSs (2008)

The adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustments have been required.

The Group has not early applied the new and revised standards, amendments or interpretations that have been issued but are not yet effective.

(2) TURNOVER AND SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services. Upon first-time adoption of HKFRS 8 "Operating Segments" and in a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment, the Group has identified the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Carpark management: this segment mainly sub-leases carparks to generate rental income. Currently the Group's carpark operations are located entirely in Hong Kong.

- Leasing of properties: this segment mainly leases residential premises to generate rental income and to gain from the appreciation in the property values in the long term. Currently the Group's investment property portfolio is located entirely in Hong Kong.

- Loan financing: this segment provides lending to personal and corporate customers. Currently the Group possesses a money lender license and its money lending business is entirely carried out in Hong Kong.

- SMS services and sales of goods: the Group discontinued its businesses in these segments during the year ended 31 March 2009.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the bases set out below.

The measurement basis used for reporting segment results is adjusted profit before net finance costs, taxes, depreciation and amortisation (adjusted EBITDA). Items not specifically attributable to individual segments, such as gains from disposals of available-for-sale financial assets, surpluses on revaluations of investment properties and unallocated operating expenses are further adjusted and excluded from segment results.

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other unallocated corporate assets. Segment liabilities include other payables and accrued charges attributable to the leasing of properties, carpark management and loan financing of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments by reference to sales generated by those segments and the expenses incurred by those segments.

	Continuing operations			
	Leasing of properties *HK$'000*	**Carpark management** *HK$'000*	**Loan financing** *HK$'000*	**Total** *HK$'000*
2010				
Reportable segment revenue				
Revenue from external customers	**1,809**	**5,981**	**1,741**	**9,531**
Reportable segment profit/(loss) (adjusted EBITDA)	**(494)**	**(59)**	**981**	**428**
Interest income from bank deposits	**18**	**–**	**79**	**97**
Interest expense	**(272)**	**–**	**–**	**(272)**
Revaluation gains on investment properties	**21,140**	**–**	**–**	**21,140**
Reportable segment assets				
Investment properties	**79,980**	**–**	**–**	**79,980**
Trade and other receivables	**948**	**623**	**5,130**	**6,701**
Time deposits with maturity over 3 months	**2,503**	**–**	**859**	**3,362**
Cash at bank and on hand	**352**	**1,024**	**9,563**	**10,939**
Reportable segment liabilities				
Other payables and accrued charges	**(139)**	**(109)**	**(20)**	**(268)**
Deferred taxation	**(5,093)**	**–**	**–**	**(5,093)**
Bank borrowings	**(25,290)**	**–**	**–**	**(25,290)**

	Continuing operations			
	Leasing of properties *HK$'000*	Carpark management *HK$'000*	Loan financing *HK$'000*	Total *HK$'000*
2009				
Reportable segment revenue				
Revenue from external customers	5,412	4,468	2,768	12,648
Reportable segment profit/(loss) (adjusted EBITDA)	1,869	(522)	2,712	4,059
Interest income from bank deposits	–	–	83	83
Interest expense	1,815	–	–	1,815
Revaluation losses on investment properties	(25,721)	–	–	(25,721)
Reportable segment assets				
Investment properties	58,840	–	–	58,840
Trade and other receivables	435	582	12,465	13,482
Assets classified as held for sale	85,046	–	–	85,046
Cash at bank and on hand	2,143	271	11,430	13,844
Reportable segment liabilities				
Other payables and accrued charges	(2,114)	(225)	(402)	(2,741)
Liabilities classified as held for sale	(37,950)	–	–	(37,950)
Bank borrowings	(26,047)	–	–	(26,047)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2010	2009
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**9,531**	12,648
Profit		
Reportable segment profit	**428**	4,059
Share of results of associates	**–**	(8)
Impairment losses recognised in respect of available-for-sale financial assets	**–**	(40,750)
Elimination of inter-segment expenses	**3,848**	–
Other revenue and other gains/(losses), net	**1,840**	4,132
Gain on disposals of subsidiaries	**20,701**	9,522
Gain on disposals of associates	**–**	20
Gains/(losses) on revaluation of investment properties	**21,140**	(25,721)
Realisation of change in fair value on disposal of available-for-sale financial assets	**6,210**	–
Finance costs	**(1,414)**	(19,308)
Profit for discontinued operations, before taxation and share of results of associates	**–**	1,353
Unallocated expenses	**(4,183)**	(8,498)
Consolidated profit/(loss) before taxation	**48,570**	(75,199)
Assets		
Reportable segment assets	**100,982**	171,212
Assets of a disposal group classified as held for sale	**–**	205
Unallocated assets	**252,997**	202,788
Consolidated total assets	**353,979**	374,205
Liabilities		
Reportable segment liabilities	**(30,651)**	(66,738)
Liabilities of a disposal group classified as held for sale	**–**	(866)
Unallocated liabilities	**(38,204)**	(68,724)
	(68,855)	(136,328)

(c) Geographic information

The Group only operates in a single geographical location, that is, Hong Kong. The board considers that the presentation of segment disclosure by geographical locations would not be meaningful in the financial statements and, accordingly, no geographic segmental analysis is presented.

(3) OTHER REVENUE AND OTHER GAINS/(LOSSES), NET

	Continuing operations		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other revenue						
Bank interest income	**1,196**	4,026	**–**	–	**1,196**	4,026
Other loan interest income	**401**	83	**–**	–	**401**	83
Interest income on financial assets not at fair value through profit or loss	**1,597**	4,109	**–**	–	**1,597**	4,109
Miscellaneous	**200**	190	**–**	60	**200**	250
	1,797	4,299	**–**	60	**1,797**	4,359
Other gains/(losses), net						
Impairment losses recognised in respect of available-for-sale financial assets	**–**	(40,750)	**–**	–	**–**	(40,750)
Realisation of change in fair value on disposal of available-for-sale financial assets *(Note)*	**6,210**	–	**–**	–	**6,210**	–
Gain on disposals of subsidiaries *(Note (11))*	**20,701**	9,522	**–**	–	**20,701**	9,522
Gain on disposals of associates	**–**	20	**–**	–	**–**	20
Net gain on foreign exchange	**43**	14	**–**	4	**43**	18
	26,954	(31,194)	**–**	4	**26,954**	(31,190)

Note:

On 19 June 2009, the Group disposed of 90 million shares of Tomorrow International Holdings Limited, a listed company in Hong Kong, for a consideration of HK$19,710,000 (HK$0.219 per share). The gain on such disposal amounted to HK$6,210,000.

(4) DISCONTINUED OPERATIONS

During the year ended 31 March 2009, the Group disposed of the SMS services segment and planned to dispose of the sale of goods business, which was subsequently disposed of in April 2009. The operating results of these two segments were therefore classified as discontinued operations. The combined profits of the SMS services and sale of goods businesses for the period from 1 April 2008 to the respective dates of disposal or the dates of planned disposal, which have been included in the consolidated statement of comprehensive income, were approximately HK$1,370,000 for the year ended 31 March 2009.

(5) PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

		Continuing operations		Discontinued operations		Consolidated	
		2010	2009	**2010**	2009	**2010**	2009
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(a)	Finance costs						
	Interest on:						
	Bank borrowings wholly repayable within five years	**22**	1,595	**–**	–	**22**	1,595
	Bank borrowings not wholly repayable within five years	**250**	222	**–**	–	**250**	222
	Convertible notes	**–**	5,332	**–**	–	**–**	5,332
	Other borrowings	**1,142**	947	**–**	–	**1,142**	947
	Total interest expenses on financial liabilities not at fair value through profit or loss	**1,414**	8,096	**–**	–	**1,414**	8,096
	Loss on early redemption of convertible notes	**–**	11,212	**–**	–	**–**	11,212
		1,414	19,308	**–**	–	**1,414**	19,308
(b)	Staff costs						
	Salaries, bonuses and awards (including directors' emoluments)	**1,881**	1,998	**–**	784	**1,881**	2,782
	Contributions to defined contribution plan	**86**	74	**–**	28	**86**	102
		1,967	2,072	**–**	812	**1,967**	2,884
(c)	Other items						
	Auditors' remuneration						
	– audit	**420**	619	**–**	55	**420**	674
	– other services	**7**	444	**–**	–	**7**	444
	Depreciation	**–**	980	**–**	111	**–**	1,091
	Operating lease charges in respect of rented premises	**3,832**	3,995	**–**	168	**3,832**	4,163
	Rental income, net of outgoings	**(3,589)**	(3,380)	**–**	–	**(3,589)**	(3,380)

(6) TAXATION

(a) Taxation in the consolidated statement of comprehensive income represents:

	Continuing operations		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax – Hong Kong Profits Tax						
Provision for the year	**–**	–	**–**	–	**–**	–
Over-provision in respect of prior years	**–**	–	**–**	(25)	**–**	(25)
	–	–	**–**	(25)	**–**	(25)
Deferred tax						
Current year	**5,093**	(19)	**–**	–	**5,093**	(19)
Attributable to a change in tax rate	**–**	(44)	**–**	–	**–**	(44)
	5,093	(63)	**–**	–	**5,093**	(63)
	5,093	(63)	**–**	(25)	**5,093**	(88)

The provision for Hong Kong profits tax for 2010 is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year.

(b) Reconciliation between tax charge/(credit) and accounting profit/(loss) at applicable tax rates:

	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) before taxation		
Continuing operations	**48,570**	(76,544)
Discontinued operations	**–**	1,345
	48,570	(75,199)
Notional tax on profit/(loss) before taxation	**8,014**	(12,408)
Overprovision of tax paid previously	**–**	(25)
Tax effect of non-deductible expenses	**527**	12,808
Tax effect of non-taxable revenue	**(5,124)**	(3,118)
Tax effect of unused tax losses not recognised	**10**	3,278
Tax effect of unprovided prior year tax losses utilised in current year	**(64)**	(58)
Tax effect of prior year temporary difference recognised in current year	**1,730**	–
Tax effect of temporary differences not recognised	**–**	(521)
Effect on opening deferred tax balance resulting from a decrease in tax rate during the year	**–**	(44)
Tax charge/(credit) for the year	**5,093**	(88)

(7) EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) attributable to equity holders of the Company	**43,471**	(76,499)
Profit from discontinued operation attributable to equity holders of the Company	**–**	664
	43,471	(75,835)
Weighted average number of ordinary shares in issue (thousands)	**499,277**	97,978

(b) Diluted

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the years ended 31 March 2010 and 2009. The computation of diluted loss per share for the year ended 31 March 2009 did not assume the conversion of the Company's convertible notes since their exercise would result in decrease in loss per share.

(8) TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**1,319**	884
Loan receivables *(Note (i))*	**5,000**	12,000
Loan interest receivables	**115**	465
Other receivables *(Note (ii))*	**–**	3,600
Loans and receivables	**6,434**	16,949
Deposits and prepayments	**779**	373
	7,213	17,322

The aging analysis of trade receivables which are past due but not impaired is as follows:

	2010	2009
	HK$'000	*HK$'000*
Current	**–**	5
Less than 1 month past due	**307**	263
1 to 3 months past due	**492**	616
More than 3 months but less than 12 months past due	**520**	–
	1,319	879
	1,319	884

All of the trade receivables are expected to be recovered within one year.

The Group has established credit policies. For the sales of goods, the Group allows an average credit period of 30 days to its trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices.

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately HK$1,319,000 (2009: HK$879,000) which are past due as at the reporting date and for which the Group has not provided any impairment losses. Based on past experience of the Group, it is determined that no impairment allowance is necessary in respect of past due balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

Notes:

(i) Pursuant to a loan agreement, the Group granted to a borrower a loan facility which was secured by the shares of a private company, of which the borrower is one of the directors.

(ii) Other receivables at 31 March 2009 represented the outstanding consideration receivable for the disposal of a non wholly-owned subsidiary. The outstanding consideration was received during the year ended 31 March 2010.

(9) ASSETS HELD FOR SALE

Assets held for sale as at 31 March 2009 related to Oriental Gain Properties Limited and Plotio Group, and the investment property held for sale. The major classes of assets and liabilities comprising the operations classified as held for sale at the end of the reporting period are as follows:

	2010	2009
	HK$'000	*HK$'000*
Investment properties	**–**	81,243
Property, plant and equipment	**–**	2,929
Trade and other receivables	**–**	1,073
Cash at bank and on hand	**–**	46
Assets classified as held for sale	**–**	85,291
Trade and other payables	**–**	(7,498)
Amount due to a director	**–**	(15,500)
Bank borrowings	**–**	(35,792)
Tax liabilities	**–**	(106)
Deferred tax liabilities	**–**	(696)
Liabilities associated with assets classified as held for sale	**–**	(59,592)
Net assets classified as held for sale	**–**	25,699

(10) OTHER PAYABLES AND ACCRUED CHARGES

	2010	2009
	HK$'000	*HK$'000*
Accrued charges	**1,717**	2,460
Other payables – within one year *(Note)*	**10**	35,992
Deposits received	**20**	12,041
Amount due to a director	**–**	196
	1,747	50,689
Other payables – More than one year but not exceeding five years *(Note)*	**36,725**	–
Financial liabilities measured at amortised cost	**38,472**	50,689

All of the other payables classified under current liabilities are expected to be settled or recognised as income within one year or are repayable on demand.

Note:

The amount of approximately HK$36,725,000 (2009: HK$35,583,000) is the outstanding balance of consideration payable together with the accrued interests for the acquisition of a subsidiary by the Group. The repayment of the consideration together with the interest accrued thereon has been extended to 31 December 2012. Therefore, the related payable balance has been reclassified as non-current liabilities accordingly. The amount is charged at an interest rate at 4% per annum before 31 December 2009 and 1% per annum thereafter.

The creditor in respect of this unsecured other payable is the spouse of Mr. Choi Chiu Fai, Stanley, who was appointed as an executive director and deputy chairman of the Company on 23 April 2010.

(11) DISPOSAL OF SUBSIDIARIES

	2010	2009
	HK$'000	*HK$'000*
Net assets disposed of:		
Investment properties	**77,743**	100,900
Property, plant and equipment	**2,929**	4,319
Prepaid lease payments	**–**	13,175
Interest in associates	**–**	2,503
Trade and other receivables	**1,073**	150
Bank and cash balances	**47**	272
Trade and other payables	**(22,998)**	(7,261)
Tax liabilities	**(106)**	(1,179)
Deferred tax liabilities	**(696)**	(3,000)
Bank borrowings	**(35,792)**	(41,805)
Non-controlling interest released	**–**	(3,863)
Net assets disposed of	**22,200**	64,211
Gain on disposals *(Note)*	**20,701**	9,522
	42,901	73,733
Consideration satisfied by:		
Cash consideration	**42,900**	48,713
Deposits received	**–**	21,420
Consideration receivable	**1**	3,600
	42,901	73,733
Net cash inflow arising on disposals:		
Proceeds from disposals	**42,900**	70,133
Deposits received	**(10,000)**	(21,420)
Bank and cash balances disposed of	**(47)**	(272)
Bank overdraft disposed of	**11,706**	–
	44,559	48,441

The subsidiaries that were disposed of during the year contributed a loss of HK$113,000 (2009: HK$179,000) to the Group from operating activities for the year.

Note: Gain on disposal of subsidiaries for the year ended 31 March 2010 represents consideration of HK$1,000 for disposal of Plotio Limited and its subsidiaries ("Plotio Group") plus net liabilities of Plotio Group amounted to approximately HK$20,700,000 released upon disposal.

(12) SUBSEQUENT EVENTS

On 20 July 2010, a wholly-owned subsidiary of the Company entered into a non-legal binding letter of intent with two vendors in relation to the proposed acquisition of the interests in the coal mines and the coal washing plants in Shanxi Province, the PRC. The consideration for the proposed acquisition shall not be more than HK$10.5 billion and shall be satisfied by the issue(s) of convertible bonds and/or new shares of the Company and/or cash (or other means to be agreed). It is presently expected that the proposed acquisition, when crystallised, may constitute a very substantial acquisition for the Company under the Listing Rules. Further detailed announcement will be made by the Company in accordance with the Listing Rules as and when appropriate. For details, please refer to the announcement of the Company dated 20 July 2010.

(13) COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statements and HKFRS 8, Operating segments, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2010.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2010 (2009: nil).

REVIEW AND PROSPECTS

Principal Activities

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in the businesses of property investment, provision of loan financing and operating the leasing of car parking spaces.

Business Review

During the year ended 31 March 2010, the Group recorded turnover in continuing operations for the year of approximately HK$9.5 million (2009: HK$12.6 million) and a profit for the year in continuing operations of approximately HK$43.5 million (2009: loss of HK$76.5 million). For the discontinued operations, they recorded turnover of approximately HK$6.4 million and a profit of approximately HK$1.4 million for year ended 31 March 2009 and did not contribute any turnover or profit for the year ended 31 March 2010. In aggregate, the Group recorded a profit of approximately HK$43.5 million for year ended 31 March 2010 (2009: loss of HK$75.1 million). Profit for the year was mainly attributable to surplus arising from revaluation of investment properties and gain on disposed of subsidiaries.

For year ended 31 March 2010, earnings per share amounted to HK8.71 cents, as compared with loss per share of HK77.4 cents in the previous year. As at 31 March 2010, the Group's cash position amounted to HK$243.1 million (2009: HK$179.3 million) representing 85.27% (2009: 75.40%) of the equity attributable to equity holders of the Company of HK$285.1 million (2009: HK$237.9 million).

During the year under review, the Group was mainly engaged in businesses of leasing of investment properties and car parking spaces and provision of loan financing. The rental of car parking spaces and investment properties and interest income from loan financing continued to contribute to the Group. Each segment provided a stable income stream to the Group. The Group recorded turnover of HK$9.5 million, which was represented by the businesses in leasing of properties, carpark management and loan financing for the amounts of HK$1.8 million, HK$6.0 million and HK$1.7 million respectively. The Group recorded a profit in the segment of loan financing of approximately HK$1 million and a loss in the segments of leasing of investment properties and carpark management of approximately HK$0.5 million and HK$0.06 million respectively.

Prospects

The global economic conditions have been in recovery, but various countries are still under the shadow of the financial turmoil. Despite the favourable environment exists, the Board shall continuously take prudent approach to manage its businesses and will review its investment portfolio from time to time so as to strengthen and enhance the value of the Group. The existing operations in businesses of property investment, leasing of carparking spaces and loan financing maintain to provide a stable income for the Group. Moreover, it is also likely that the new opportunities may emerge and the management remains cautiously optimistic about the Group's prospects. The Group will from time to time explore investment opportunity that could provide investment potential and broaden the income stream of the Group. With the new management team of the Group, it is expected that it can bring a prosperous development for the Group.

Liquidity, financial resources, pledge of assets and contingent liabilities

As at 31 March 2010, bank and cash balances (including time deposits) maintained by the Group were HK$243.1 million (2009: HK$179.3 million), representing an increase of HK$63.8 million compared with the position as at 31 March 2009. It is believed that the Group has adequate cash resources to meet the normal working capital requirements and all commitments of future development. The gearing of the Group, measured as total debts to total assets, was 19.5% as at 31 March 2010, comparing with 36.4% as at 31 March 2009.

Most of the business transactions conducted by the Group were denominated in Hong Kong Dollars. As at 31 March 2010, there were no outstanding forward contracts in foreign currency committed by the Group that might involve it in significant foreign exchange risks and exposures.

As at 31 March 2010, investment properties of approximately HK$70.0 million (2009: HK$129.7 million) were pledged to secure the Group's bank borrowings.

As at 31 March 2010, other than disclosed above, the Group did not have any material contingent liability and capital commitment.

Employees

As at 31 March 2010, the Group had 10 staff. Employees and directors are remunerated based on individual contribution, industry practice and prevail market situation and in accordance with prevailing labour laws. In addition to the basic salary, employees and directors are rewarded with performance-related bonuses, other staff welfare and also a share option scheme will be made available to certain staff of the Group at the discretion of the Board.

CORPORATE GOVERNANCE

The board of directors (the "Board") of the Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes effort to identifying and formalising best practices. The Company has applied the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules, except for the following deviations.

CG Code provision A.4 states that non-executive director should be appointed for a specific term. All independent non-executive directors of the Company are appointed without any specific term. According to the Company's bye-laws, at every annual general meeting, one-third of the directors for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The Board considers that sufficient measures will be taken to ensure the corporate governance practices of the Company are not less exacting than those in the CG Code.

CG Code provision B.1.1 states that companies should establish 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 does not really provide benefit after due consideration of the size of the Group and the associated costs involved. Moreover, the Board conducts an informal assessment of the individual director's contribution so that no director decide their own remuneration. Apart from basic salary, staff benefits include performance related bonuses and mandatory provident fund would be provided by the Group.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the CG Code as and when considered appropriate.

MODEL CODE FOR DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for directors' securities transactions. Having made specific enquiries of all directors of the Company, they have confirmed that they complied with required standards set out in the Model Code throughout the accounting period covered by the annual report.

CONFIRMATION OF INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of shares or other securities of the Company by the Company or its subsidiaries during the year.

DIRECTORS

As at the date of this announcement, the executive directors are Mr. Shi Jian Ping, Mr. Choi Chiu Fai, Stanley, Mr. Liu Shun Chuen and Mr. Yeung Sau Chung and the independent non-executive directors are Mr. Ng Wai Hung, Mr. Wu Wang Li and Mr. Jacobsen William Keith.

In accordance with bye-law of the Company, Mr. Shi Jian Ping, Mr. Choi Chiu Fai, Stanley, Mr. Liu Shun Chuen and Mr. Wu Wang Li will retire from office at forthcoming annual general meeting and, being eligible offer themselves for re-election.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors and reports to the Board. The primary duties of the audit committee are to review and advise 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 2010. The audit committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and the interim and annual reports of the Group.

PUBLICATION OF ANNUAL REPORT ON THE INTERNET WEBSITE OF THE COMPANY AND THE STOCK EXCHANGE

An annual report of the Company for the year ended 31 March 2010 will be published on the websites of the Company (http://www.hycomm-wireless.com) and The Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) in due course.

By Order of the Board
Shi Jian Ping
Chairman

Hong Kong 26 July 2010