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 2012

The Board of Directors (the "Board") of HyComm Wireless Limited (the "Company") announces that the audited consolidated results for the year ended 31 March 2012 of the Company and its subsidiaries (collectively referred to as the "Group") together with the comparative figures for 2011, as follows:

Consolidated Statement of Comprehensive Income
Year ended 31 March 2012

	Notes	**2012** *HK$'000*	2011 *HK$'000*
Turnover	2	**8,183**	8,241
Revaluation gains on investment properties		**13,300**	31,720
Other revenue	3	**2,616**	1,359
Other gains	3	**989**	6,382
Operating costs		**(14,344)**	(12,121)
Profit from operations		**10,744**	35,581
Finance costs	4(a)	**(322)**	(651)
Profit before taxation	4	**10,422**	34,930
Taxation	5	**(2,221)**	(5,342)
Profit for the year		**8,201**	29,588
Other comprehensive loss for the year			
Available-for-sale financial assets:			
– Change in fair values during the year		**(6,559)**	(6,545)
– Realisation of change in fair values on disposal		**(994)**	(6,394)
Other comprehensive loss for the year, net of tax		**(7,553)**	(12,939)
Total comprehensive income for the year		**648**	16,649

* *For identification purposes only*

	Notes	**2012** *HK$'000*	2011 *HK$'000*
Profit attributable to:			
Equity holders of the Company		**8,173**	29,578
Non-controlling interests		**28**	10
Profit for the year		**8,201**	29,588
Total comprehensive income attributable to:			
Equity holders of the Company		**620**	16,639
Non-controlling interests		**28**	10
Total comprehensive income for the year		**648**	16,649
Earnings per share attributable to equity holders of the Company for the year (expressed in HK cents)			
Basic earnings per share	*6*	**1.64**	5.92
Diluted earnings per share	*6*	**N/A**	N/A

Consolidated Statement of Financial Position
At 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Investment properties		**125,000**	111,700
Property, plant and equipment		**51**	–
Available-for-sale financial assets		**7,329**	15,668
		132,380	127,368
Current assets			
Trade and other receivables	*7*	**15,742**	1,368
Cash and cash equivalents		**168,164**	245,969
		183,906	247,337
Current liabilities			
Other payables and accrued charges	*8*	**1,209**	1,661
Bank borrowings		**–**	23,743
		1,209	25,404
Net current assets		**182,697**	221,933
Total assets less current liabilities		**315,077**	349,301

	Notes	2012 HK$'000	2011 HK$'000
Non-current liabilities			
Other payables	*8*	**–**	37,093
Deferred tax liabilities		**12,656**	10,435
		12,656	47,528
Net assets		**302,421**	301,773
Capital and reserves			
Share capital		**49,928**	49,928
Reserves		**252,431**	251,811
Total equity attributable to equity holders of the Company		**302,359**	301,739
Non-controlling interests		**62**	34
Total equity		**302,421**	301,773

Consolidated Statement of Changes in Equity
Year ended 31 March 2012

	Share capital	Share premium	Surplus account	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2010	49,928	143,807	255,025	16,124	(179,784)	285,100	24	285,124
Comprehensive income								
Profit for the year	–	–	–	–	29,578	29,578	10	29,588
Other comprehensive loss								
Change in fair values of available-for-sale financial assets	–	–	–	(6,545)	–	(6,545)	–	(6,545)
Realisation of change in fair values of available-for-sale financial assets on disposal	–	–	–	(6,394)	–	(6,394)	–	(6,394)
Total other comprehensive loss	–	–	–	(12,939)	–	(12,939)	–	(12,939)
Total comprehensive income/(loss)	–	–	–	(12,939)	29,578	16,639	10	16,649
Balance at 31 March 2011 and at 1 April 2011	49,928	143,807	255,025	3,185	(150,206)	301,739	34	301,773
Comprehensive income								
Profit for the year	–	–	–	–	8,173	8,173	28	8,201
Other comprehensive loss								
Change in fair values of available-for-sale financial assets	–	–	–	(6,559)	–	(6,559)	–	(6,559)
Realisation of change in fair values of available-for-sale financial assets on disposal	–	–	–	(994)	–	(994)	–	(994)
Total other comprehensive loss	–	–	–	(7,553)	–	(7,553)	–	(7,553)
Total comprehensive income/(loss)	–	–	–	(7,553)	8,173	620	28	648
Balance at 31 March 2012	49,928	143,807	255,025	(4,368)	(142,033)	302,359	62	302,421

Notes:

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

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation 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 24 (revised 2009), *Related Party Disclosures*
- Improvements to HKFRSs (2010)
- HK(IFRIC)–Int 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to HK(IFRIC)–Int 14, HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement

The amendments to HK(IFRIC)–Int 14, HK(IFRIC)–Int 19 and Improvements to HKFRSs (2010), other than as further explained below regarding the impact of HKAS 24, have not yet had an impact on the Group's financial statements as these changes will only first be effective as and when the Group enters a relevant transaction.

HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous periods. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

The Group and the Company have not early applied the following new and revised standards, Amendments to Standards and Interpretations that have been issued but are not yet effective:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures –Transfers of Financial Assets*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	*Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

HKFRS 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (as revised in November 2010) adds requirements for the classification and measurement of financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The Directors of the Company anticipate that HKFRS 9 will be adopted in the financial statements for the year ending 31 March 2016 and that the application may affect the classification and measurement of the Group's available-for-sale investments at that time.

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. The Group expects to adopt HKAS 12 Amendments for the year ending 31 March 2013. It is estimated that deferred tax liabilities as at 31 March 2012 of HK$12,438,000 will no longer required to be recognised upon adoption of HKAS 12 Amendments.

Other than as described above, the Directors of the Company anticipate that the application of the other new and revised Standards, Amendments to Standards and Interpretations will have no material impact on the results and the financial position of the Group or the Company.

The Group and the Company have not early applied the new and revised standards, amendments to standards and 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 provided. No operating segments have been aggregated to form the following three identified reportable segments:

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

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

- Loan financing: this segment is involved in the provision of loan financing to personal and corporate customers. Currently, the Group possesses a money lender license and its money lending business is mainly carried out in Hong Kong.

(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 on 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 and the expenses incurred by those segments.

	Leasing of properties *HK$'000*	**Carpark management** *HK$'000*	**Loan financing** *HK$'000*	**Total** *HK$'000*
2012				
Reportable segment revenue				
Revenue from external customers	**835**	**6,546**	**802**	**8,183**
Reportable segment profit/(loss) (adjusted EBITDA)	**361**	**(51)**	**627**	**937**
Interest income from bank deposits	**5**	**–**	**74**	**79**
Interest expense	**(199)**	**–**	**–**	**(199)**
Revaluation gains on investment properties	**13,300**	**–**	**–**	**13,300**
Reportable segment assets				
Investment properties	**125,000**	**–**	**–**	**125,000**
Property, plant and equipment	**40**	**–**	**–**	**40**
Trade and other receivables	**35**	**1,635**	**13,060**	**14,730**
Cash and cash equivalents	**564**	**443**	**653**	**1,660**
Reportable segment liabilities				
Other payables and accrued charges	**(75)**	**(39)**	**(14)**	**(128)**
Deferred tax liabilities	**(12,656)**	**–**	**–**	**(12,656)**
	Leasing of properties *HK$'000*	Carpark management *HK$'000*	Loan financing *HK$'000*	Total *HK$'000*
2011				
Reportable segment revenue				
Revenue from external customers	1,683	6,349	209	8,241
Reportable segment profit (adjusted EBITDA)	862	18	155	1,035
Interest income from bank deposits	13	–	93	106
Interest expense	(284)	–	–	(284)
Revaluation gains on investment properties	31,720	–	–	31,720
Reportable segment assets				
Investment properties	111,700	–	–	111,700
Trade and other receivables	427	579	4	1,010
Cash and cash equivalents	2,247	2,080	16,648	20,975
Reportable segment liabilities				
Other payables and accrued charges	(71)	(71)	(22)	(164)
Deferred tax liabilities	(10,435)	–	–	(10,435)
Bank borrowings	(23,743)	–	–	(23,743)

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

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**8,183**	8,241
Profit		
Reportable segment profit	**937**	1,035
Elimination of inter-segment expenses	**1,414**	1,707
Other revenue and net gains	**2,616**	1,371
Revaluation gains on investment properties	**13,300**	31,720
Gains on disposals of available-for-sale financial assets	**989**	6,370
Finance costs	**(322)**	(651)
Unallocated operating expenses	**(8,512)**	(6,622)
Consolidated profit before taxation	**10,422**	34,930
Assets		
Reportable segment assets	**141,430**	133,685
Unallocated assets	**174,856**	241,020
Consolidated total assets	**316,286**	374,705
Liabilities		
Reportable segment liabilities	**(12,784)**	(34,342)
Unallocated liabilities	**(1,081)**	(38,590)
Consolidated total liabilities	**(13,865)**	(72,932)

(c) **Geographic information**

The Group only operated in the single geographical location of Hong Kong. On this basis, no geographic segmental analysis is presented for the year.

(3) OTHER REVENUE AND OTHER GAINS

	2012	2011
	HK$'000	*HK$'000*
Other revenue		
Bank interest income	**2,616**	1,284
Interest income on financial assets not at fair value through profit or loss	**2,616**	1,284
Miscellaneous	**–**	75
	2,616	1,359
Other gains		
Gains on disposals of available-for-sale investments	**989**	6,370
Net gain on foreign exchange	**–**	12
	989	6,382

During the year, the Group disposed of shares in a company which is listed in Hong Kong. The gain on such disposals amounted to HK$989,000 (2011: HK$6,370,000).

(4) PROFIT BEFORE TAXATION

	2012	2011
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on:		
Bank borrowings wholly repayable within five years	**–**	18
Bank borrowings not wholly repayable within five years	**198**	266
Other borrowings	**124**	367
Total interest expenses on financial liabilities not at fair value through profit or loss	**322**	651
(b) Staff costs		
Salaries, bonuses and awards (including directors' emoluments)	**3,362**	1,941
Contributions to defined contribution plan	**120**	89
	3,482	2,030
(c) Other items		
Auditors' remuneration		
– audit services	**520**	531
– other services*	**–**	1,999
Operating lease charges in respect of rented premises	**6,430**	4,114
Rental income, net of outgoings	**(2,633)**	(3,553)

* *These fees were paid to professional accountants other than KLC Kennic Lui & Co. Ltd.*

(5) TAXATION

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

	2012	2011
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**–**	–
Deferred tax		
Current year	**2,221**	5,342
	2,221	5,342

The provision for Hong Kong Profits Tax for 2012 is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group incurred a tax loss for the year.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation	**10,422**	34,930
Notional tax on profit before taxation	**1,720**	5,763
Tax effect of non-deductible expenses	**37**	344
Tax effect of non-taxable revenue	**(595)**	(1,522)
Tax effect of unused tax losses not recognised	**1,164**	760
Tax effect of prior year tax losses utilised in the current year	**(103)**	(3)
Tax effect of temporary differences not recognised	**(2)**	–
Tax charge for the year	**2,221**	5,342

(6) EARNINGS 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.

	2012	2011
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**8,173**	29,578
Weighted average number of ordinary shares in issue (thousands)	**499,277**	499,277

(b) Diluted

The diluted earnings per share is the same as the basic earnings per share for the years ended 31 March 2012 and 2011.

(7) TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**1,346**	749
Loan receivables	**13,000**	–
Loan interest receivables	**59**	–
Loans and receivables	**14,405**	749
Deposits and prepayments	**1,337**	619
	15,742	1,368

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

	2012	2011
	HK$'000	*HK$'000*
Current	**–**	–
Less than 1 month past due	**555**	619
1 to 3 months past due	**791**	130
	1,346	749
	1,346	749

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

The Group has established credit policies. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK$1,346,000 (2011: HK$749,000) 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 have not been significant changes in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

(8) OTHER PAYABLES AND ACCRUED CHARGES

	2012	2011
	HK$'000	*HK$'000*
Accrued charges	**1,165**	1,661
Other payables – within one year	**11**	–
Deposits received	**33**	–
	1,209	1,661
Other payables – More than one year but not exceeding five years *(Note)*	**–**	37,093
Financial liabilities measured at amortised cost	**1,209**	38,754

All of the other payables are expected to be settled within one year or are repayable on demand.

Note: The amount of approximately HK$37,093,000 as at 31 March 2011 was the outstanding balance of the consideration payable together with accrued interest for the acquisition of a subsidiary by the Group. The consideration payable together with the interest accrued thereon was settled during the year ended 31 March 2012.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2012 (2011: 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 2012, the Group recorded turnover for the year of approximately HK$8.2 million (2011: HK$8.2 million) and a profit for the year of approximately HK$8.2 million (2011: HK$29.6 million). Profit for the year was mainly attributable to valuation gains on investment properties.

For year ended 31 March 2012, earnings per share amounted to HK1.64 cents, as compared with HK5.92 cents in the previous year. As at 31 March 2012, the Group's cash position amounted to HK$168.2 million (2011: HK$246.0 million) representing 55.62% (2011: 81.51%) of the equity attributable to equity holders of the Company of HK$302.4 million (2011: HK$301.8 million).

During the year under review, the Group was mainly engaged in the businesses of leasing of investment properties and car parking spaces and the provision of loan financing. The rental income from leasing of car parking spaces and investment properties and interest income from loan financing continued to contribute and to provide stable income streams to the Group. The Group recorded turnover of HK$8.2 million, which was represented by the businesses in leasing of properties, carpark management and loan financing in the amounts of HK$0.8 million, HK$6.6 million and HK$0.8 million respectively. The Group recorded a profit in the segments of leasing of investment properties and loan financing of approximately HK$0.36 million and HK$0.63 million respectively and a loss of HK$0.05 million in the segment of carpark management.

Prospects

The uncertainty of the Eurozone crisis and sluggish economic conditions in Europe has affected overall economic growth. The Group will continue to take prudent approach to manage its existing businesses. The existing businesses of property investment, leasing of carparking spaces and loan financing remain to provide stable income stream to the Group and will help the Group to maintain its internal resources to continue its development. It is the strategy of the Group to seek investments from time to time so as to broaden income stream and scope of business and strengthen the investment portfolio. We will continue to explore investment opportunities and evaluate investment proposals to capture investment opportunities and enhance the profitability and the shareholders' return.

Liquidity, financial resources, pledge of assets and contingent liabilities

As at 31 March 2012, bank and cash balances (including time deposits) maintained by the Group were HK$168.2 million (2011: HK$246.0 million), representing a decrease of HK$77.8 million compared with the position as at 31 March 2011. It is believed that the Group has adequate cash resources to meet its normal working capital requirements and all commitments for future developments. The gearing of the Group, measured as total debts to total assets, was 4.4% (2011: 19.5%) as at 31 March 2012.

Most of the business transactions conducted by the Group were denominated in Hong Kong dollars. As at 31 March 2012, there were no outstanding forward contracts in foreign currencies committed by the Group that might involve it in significant foreign exchange risks and exposures.

As at 31 March 2012, the Group did not have any material contingent liabilities or capital commitments.

Employees

As at 31 March 2012, the Group had 12 staff. Employees and directors are remunerated based on individual contributions, industry practices and prevailing market conditions and in accordance with existing labour laws. In addition to basic salaries, employees and directors are rewarded with performance-related bonuses, other staff welfare benefits and also a share option scheme can 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 efforts 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 deviations set out below.

CG Code provision A.4 states that non-executive directors should be appointed for specific terms. All independent non-executive directors of the Company are appointed without any specific terms. 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 was in the opinion that in consideration of the size of the Group and the associated costs involved, the Board conducted informal assessments of the individual director contributions so that no directors decide their own remuneration. Apart from basic salary, staff benefits include performance related bonuses and mandatory provident fund contributions provided by the Group.

During the year, the Remuneration Committee and the Nomination Committee were established on 29 March 2012.

The Remuneration Committee consists of three members, namely, Mr. Ng Wai Hung, Mr. Wu Wang Li and Mr. Jacobsen William Keith, all of which are independent non-executive directors of the Company. The primary function of the Remuneration Committee is to make recommendations to the Board on the Group's policy and structure for remuneration of the Directors and senior management and to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives. The principal duties include the revision of the terms of the remuneration packages of all Directors and senior management on the basis of their merit, qualification and competence by reference to corporate goals and objectives resolved by the Board from time to time.

The Nomination Committee consists of four members, namely, Mr. Kong Lingbiao, Mr. Ng Wai Hung, Mr, Wu Wang Li and Mr. Jacobsen William Keith, the majority of them are independent non-executive Directors. The primary function of the Nomination Committee is to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The roles and authorities of the Audit Committee, Remuneration Committee and the Nomination Committee are clearly set out in those terms of reference which are available on request to shareholders of the Company and are posted on the Company's website: http://www.hycomm-wireless.com

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 DIRECTORS' 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 the 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 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 were no purchases, sales or redemptions 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. Kong Lingbiao, 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 the bye-laws of the Company, Mr. Yeung Sau Chung and Mr. Liu Shun Chuen will retire from office at the 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, the auditing and financial reporting processes and the internal control systems of the Group, including a review of the results for the year ended 31 March 2012. 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

The annual report of the Company for the year ended 31 March 2012 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
Kong Lingbiao
Chairman

Hong Kong 26 June 2012