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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The Board of Directors (the “Board”) of HyComm Wireless Limited (the “Company”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2013 together with comparative figures for the previous corresponding period are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 September	
		2013	2012
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Turnover	3	4,314	4,164
Revaluation gain/(loss) on investment properties		(2,762)	2,800
Other revenue	4	819	964
Operating costs		(5,748)	(7,275)
(Loss)/profit from operations		(3,377)	653
Share of profit of jointly controlled entities		470	–
(Loss)/profit before taxation	5	(2,907)	653
Taxation	6	–	–
(Loss)/profit for the period		(2,907)	653

* For identification purposes only

		Six months ended	
		30 September	
		2013	2012
<i>Notes</i>		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Available-for-sale financial assets —			
changes in fair value during the period		<u>(318)</u>	<u>(2,195)</u>
Other comprehensive loss for the period, net of tax		<u>(318)</u>	<u>(2,195)</u>
Total comprehensive loss for the period		<u><u>(3,225)</u></u>	<u><u>(1,542)</u></u>
(Loss)/profit for the period attributable to:			
Owners of the Company		(2,944)	627
Non-controlling interests		<u>37</u>	<u>26</u>
(Loss)/profit for the period		<u><u>(2,907)</u></u>	<u><u>653</u></u>
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		(3,262)	(1,568)
Non-controlling interests		<u>37</u>	<u>26</u>
Total comprehensive income/(loss) for the period		<u><u>(3,225)</u></u>	<u><u>(1,542)</u></u>
		HK cents	HK cents
(Loss)/earnings per share			
Basic		<u>(0.59)</u>	<u>0.13</u>
Diluted		<u><u>N/A</u></u>	<u><u>N/A</u></u>

7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 September	31 March
		2013	2013
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	8	14,600	126,100
Property, plant and equipment		45	116
Investment in jointly controlled entities	9	28,935	18,711
Available-for-sale financial assets	10	4,671	4,989
		<u>48,251</u>	<u>149,916</u>
Current assets			
Trade and other receivables	11	27,601	20,551
Cash and cash equivalents		124,111	141,671
		<u>151,712</u>	<u>162,222</u>
Assets classified as held for sale	12	108,800	–
		<u>260,512</u>	<u>162,222</u>
Current liabilities			
Other payables and accrued charges	13	583	733
Net current assets		<u>259,929</u>	161,489
Total assets less current liabilities		<u>308,180</u>	311,405
Non-current liabilities			
Deferred tax liabilities		252	252
NET ASSETS		<u><u>307,928</u></u>	<u><u>311,153</u></u>
CAPITAL AND RESERVES			
Share capital	14	49,928	49,928
Reserves		257,819	261,081
Total equity attributable to owners of the Company		307,747	311,009
Non-controlling interests		181	144
TOTAL EQUITY		<u><u>307,928</u></u>	<u><u>311,153</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013 (unaudited)

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Surplus account	Fair value reserve	Accumulated losses		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013	49,928	143,807	255,025	(6,708)	(131,043)	144	311,153
Total comprehensive income/(loss) for the period	—	—	—	(318)	(2,944)	37	(3,225)
At 30 September 2013	<u>49,928</u>	<u>143,807</u>	<u>255,025</u>	<u>(7,026)</u>	<u>(133,987)</u>	<u>181</u>	<u>307,928</u>

For the six months ended 30 September 2012 (unaudited)

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Surplus account	Fair value reserve	Accumulated losses		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012	49,928	143,807	255,025	(4,368)	(142,033)	62	302,421
Change in accounting policy — adoption of HKAS 12 Amendment	—	—	—	—	12,404	—	12,404
At 1 April 2012, as restated	49,928	143,807	255,025	(4,368)	(129,629)	62	314,825
Total comprehensive income/(loss) for the period	—	—	—	(2,195)	627	26	(1,542)
At 30 September 2012	<u>49,928</u>	<u>143,807</u>	<u>255,025</u>	<u>(6,563)</u>	<u>(129,002)</u>	<u>88</u>	<u>313,283</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30 September	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash used in operations	(9,454)	(288)
Net cash (used in)/generated from investing activities	(8,106)	885
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,560)	597
Cash and cash equivalents at beginning of period	141,671	168,164
CASH AND CASH EQUIVALENTS AT END OF PERIOD	124,111	168,761
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	124,111	168,761

Notes:

1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 September 2013 are unaudited but have been reviewed by the Audit Committee.

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s 2013 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 March 2013 except as stated in note 2 below.

2 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

a. Amendments to HKAS 1 “Presentation of Financial Statements”

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

b. HKFRS 13 “Fair Value Measurement”

HKFRS 13 “Fair Value Measurement” establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of HKFRS 13 only affects disclosures on fair value measurements in the consolidated financial statements. HKFRS 13 has been applied prospectively.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact to the Group.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3 SEGMENT INFORMATION

The Group comprises the following main reportable segments:

- (i) Leasing of properties;
- (ii) Property investments;
- (iii) Carpark management; and
- (iv) Loan financing.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 March 2013.

The Group's turnover and results therefrom for the period by operating segment is analysed as follows:

	Turnover		Reportable	
	six months ended		segment profit	
	30 September		30 September	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Leasing of properties	98	98	(133)	(290)
Property investments	–	–	470	–
Carpark management	3,355	3,352	385	462
Loan financing	861	714	851	650
	4,314	4,164	1,573	822
Unallocated other revenue			819	964
Revaluation gain/(loss) on investment properties			(2,762)	2,800
Unallocated corporate expenses			(2,537)	(3,933)
(Loss)/profit for the period			(2,907)	653

During the period, the Group has been operating principally in Hong Kong.

4 OTHER REVENUE

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	634	964
Other interest income	185	–
	<u>819</u>	<u>964</u>

5 (LOSS)/PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/profit before taxation is arrived at after charging:		
(a) Staff cost		
Salaries, bonus and awards		
(including directors' emoluments)	1,815	1,650
Contributions to defined contribution plan	80	56
	<u>1,895</u>	<u>1,706</u>
(b) Other items		
Operating lease charges in respect of		
rented premises	2,298	3,204
and after crediting:		
Rental income, net of outgoings	85	89

6 TAXATION

No provision for Hong Kong profits tax for the six months ended 30 September 2013 and 30 September 2012 as the Group did not generate any assessable profits arising in Hong Kong during the period.

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share for the six months ended 30 September 2013 is based on the loss attributable to owners of the Company of approximately HK\$2,944,000 (2012: profit of HK\$627,000) divided by weighed average number of 499,276,680 shares (2012: 499,276,680 shares).

No diluted earnings/(loss) per share is presented for the six months ended 30 September 2013 and 30 September 2012 as the Company did not have any dilutive potential ordinary shares.

8 INVESTMENT PROPERTIES

HK\$'000

Fair value

At 1 April 2012 (audited)	125,000
Fair value adjustments	1,100
At 31 March 2013 and 1 April 2013 (audited)	126,100
Fair value adjustments	(2,762)
Reclassified as assets held for sale	(108,738)
At 30 September 2013 (unaudited)	14,600

9. INTEREST IN JOINTLY CONTROLLED ENTITIES

	30 September 2013 HK\$'000 (unaudited)	31 March 2013 HK\$'000 (audited)
Unlisted shares, at cost	—	—
Share of net assets	28,935	18,711
	28,935	18,711

Summary financial information on jointly controlled entities — Group effective interest:

	30 September 2013 HK\$'000 (unaudited)	31 March 2013 HK\$'000 (audited)
Non-current assets	25,750	17,500
Current assets	369	2,840
Non-current liabilities	(26,219)	(20,290)
Current liabilities	(322)	(368)
Net liabilities	(422)	(318)

	Six months ended 30 September 2013 HK\$'000 (unaudited)	2012 HK\$'000 (audited)
Income	1,038	—
Expenses	(568)	—
	470	—

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at	
	30 September	31 March
	2013	2013
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Available-for-sale equity securities listed in Hong Kong and stated at market value (<i>Note</i>)	<u>4,671</u>	<u>4,989</u>

Note: The listed securities are measured at fair value based on quoted market prices.

11 TRADE AND OTHER RECEIVABLES

	As at	
	30 September	31 March
	2013	2013
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables (<i>Note (i)</i>)	486	113
Loan receivables	19,480	19,680
Deposits and prepayments	615	748
Loan interest receivables	170	10
Deposit paid for acquisition of subsidiary (<i>Note (ii)</i>)	<u>6,850</u>	<u>–</u>
	<u>27,601</u>	<u>20,551</u>

Notes:

- (i) The Group maintains defined credit policies. Rental receivables from tenants are payable on presentation of invoices. The aging analysis of trade receivables is as follows:

	As at	
	30 September	31 March
	2013	2013
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Current	–	–
0–30 days	<u>486</u>	<u>113</u>
	<u>486</u>	<u>113</u>

- (ii) The amount represents deposit paid in relation to acquisition of Electronics Tomorrow Property Holdings Limited. The acquisition was completed on 25 November 2013. For further details of the acquisition, please refer to the announcement of the Company dated 25 September 2013.

12 ASSETS HELD FOR SALE

With reference to the announcement of the Company dated 28 August 2013, a subsidiary of the Group entered into a preliminary sale and purchase agreement with an independent third party to dispose an investment property of the Group.

The above disposal is expected to be completed on 29 November 2013. The assets attributable to the investment property have been classified as assets held for sale and are presented separately in the consolidated statement of financial position as at 30 September 2013.

The major classes of assets comprising assets held for sale at the reporting date were as follows:

	As at 30 September 2013 HK\$'000 (unaudited)
Investment property	108,738
Property, plant and equipment	62
	<u>108,800</u>

13 OTHER PAYABLES AND ACCRUED CHARGES

	As at 30 September 2013 HK\$'000 (unaudited)	31 March 2013 HK\$'000 (audited)
Accrued charges	539	689
Other payables	11	11
Deposits received	33	33
	<u>583</u>	<u>733</u>

14 SHARE CAPITAL

	As at 30 September 2013 HK\$'000 (unaudited)	31 March 2013 HK\$'000 (audited)
Authorised:		
20,000,000,000 ordinary shares of HK\$0.1 each (31 March 2013: 20,000,000,000 ordinary shares of HK\$0.1 each)	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid:		
499,276,680 ordinary shares of HK\$0.1 each (31 March 2013: 499,276,680 ordinary shares of HK\$0.1 each)	<u>49,928</u>	<u>49,928</u>

15 FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate and equity price risk arises in the normal course of the Group's business.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2013.

There have been no changes in the risk management policies since year end.

(a) Credit risk

The maximum exposure to credit risk, without taking account of any collateral held, is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowances.

(b) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash flow for financial liabilities.

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits. These deposits bear interest at variable rates expose the Group to cash flow interest rate risk. Compared to year end, there was no material changes in the Group's interest rate profile.

(d) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale financial assets.

(e) Fair values

There were no transfers between levels of the fair value hierarchy used in measuring fair value of financial instruments during the six months ended 30 September 2013.

During the six months ended 30 September 2013, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

During the six months ended 30 September 2013, there were no reclassification of financial assets.

16 RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with related parties during the six months ended 30 September 2013:

	Six months ended 30 September 2013 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)
Interest income received from:		
Citi Charm Limited	112	–
Riccini Investments Limited	78	–

Citi Charm Limited and Riccini Investments Limited are jointly controlled entities of the Group.

17 CAPITAL COMMITMENTS

	As at 30 September 2013 HK\$	31 March 2013 HK\$
Contracted but not provided for in respect of acquisition of subsidiaries	61,650	–

Further details of the commitments as at 30 September 2013 are set out in notes 11 and 18.

18 SUBSEQUENT EVENTS

The Group has entered into a sale and purchase agreement to acquire the entire issue share capital of Electronics Tomorrow Property Holdings Limited on 25 September 2013. The above acquisition was completed on 25 November 2013. For details of the acquisition please refer to the announcement of the Company dated 25 September 2013.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 September 2013, the Group was principally engaged in the business of leasing of investment properties, property investment, provision of loan financing and leasing of car parking spaces.

Business prospect and review

For the six months ended 30 September 2013, the Group recorded a turnover of HK\$4,314,000 (2012: HK\$4,164,000), which was represented by the rental income of HK\$98,000, leasing of car parking spaces of HK\$3,355,000 and provision of loan financing of HK\$861,000. The Group recorded a loss attributable to owners of the Company of HK\$2,944,000 as compared with profit of HK\$627,000 recorded for the last corresponding period in 2012.

In view of the property market condition of Hong Kong, the Group has reviewed the portfolio of investment properties from time to time. With reference to the announcements of the Company dated 28 August 2013 and 25 September 2013 respectively, the Company proposed to dispose of a residential unit at consideration of HK\$110 million and to acquire the entire issued share capital of a company which indirectly holds various workshops at consideration of \$68.5 million.

The disposal is a good opportunity for the Company to capitalise on favourable market conditions and to enhance the working capital of the Group on one hand and the acquisition represent a good opportunity for the Group to expand its portfolio of investment properties and enhance its profitability on the other.

Apart from new and potential investments, the Group will continue to focus on its existing businesses of leasing of properties, property investments, carpark management and loan financing which provide a stable income stream to the Group.

Meanwhile the Group will continue to seek and to evaluate other business opportunities and investment strategy so as to expand and to diversify its investment portfolio for strengthening and broadening its income base and generating greater value to the shareholders. The Directors are optimistic about the future business development of the Group and will continue to implement well-established strategies to enhance the Company's value and to bring outstanding return to the shareholders.

Liquidity and financial review

The Group has bank and cash balance (including time deposits) of approximately HK\$124,111,000 as at 30 September 2013 (31 March 2013: HK\$141,671,000).

The Group's gearing level (total debts to total assets) was 0.2% (31 March 2013: 0.3%) as at 30 September 2013. With bank and cash and other current assets, the Group has sufficient financial resources to satisfy its financial commitments and working capital requirements.

Contingent liabilities and capital commitments

Save as disclosed in note 17 to the financial statements, as at 30 September 2013, the Group did not have any material contingent liabilities and capital commitments.

Employees

As at 30 September 2013, the Group had 11 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.

DIRECTORS' INTERESTS IN SHARES

Save as disclosed below, as at 30 September 2013, none of the directors, the chief executive and their associates of the Company had any interests and short positions in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules on the Stock Exchange.

As at 30 September 2013

Name of director	Long position/ Short position	Number of Ordinary Shares held	Percentage of the Company's issued share capital
Mr. Kong Lingbiao	Long Position	60,000,000	12.02%

SHARE OPTIONS

At the annual general meeting held on 22 August 2013, the shareholders of the Company approved the share option scheme ("Share Option Scheme"), which was adopted on 27 August 2013.

The primary purpose of the Share Option Scheme is to provide incentives to directors and eligible employees and it remains in force for a period of 10 years commencing on 27 August 2013. Under the Share Option Scheme, the directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up options to subscribe for shares in the Company:

- (i) any director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate");
- (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; and
- (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 in any 12-month period up to and including the date of grant must be approved in advance by the Company's shareholders.

Options granted must be taken up within 14 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from the date of offer of the share option to a date to be determined and notified by the directors or, in the absence of such determination, the earlier of the date on which the options lapse or the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant, and the nominal value of the Company shares.

There were no outstanding options granted under the Share Option Scheme since its adoption and at the end of the period. In addition, there were no options granted to, or outstanding in respect of the old share option scheme at the reporting date.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 September 2013, none of the directors of the Company had any personal interests in share options to subscribe for shares in the Company granted under the share option schemes of the Company.

No share options were granted to, or exercised by, any directors during the period.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the directors, or their spouses or children under the age of 18 had any rights to subscribe for securities of the Company or had exercised any such rights during the period.

SUBSTANTIAL SHAREHOLDERS

In addition to the interests of directors under the heading “Directors’ Interests in Shares” above, the substantial shareholders register maintained by the Company pursuant to section 336 of Part XV of the SFO discloses that the following shareholders had an interest representing 5% or more of the issued share capital of the Company as at 30 September 2013:

Long Positions

Name	Capacity	Number of shares	Approximate percentage of issued shares held
Billion Gain Development Limited (<i>Note 1</i>)	Beneficial owner	94,000,000	18.83
Regal Power Investments Limited (<i>Note 2</i>)	Beneficial owner	88,500,000	17.72
Solar Fortune Investments Limited (<i>Note 3</i>)	Beneficial owner	60,000,000	12.02
Joy Glory Limited (<i>Note 4</i>)	Beneficial owner	42,000,000	8.41

Notes:

1. Billion Gain Development Limited is wholly and beneficially owned by Ms. Beh Yong Shin who is also a director of Billion Gain Development Limited.
2. Regal Power Investments Limited is wholly and beneficially owned by Mr. Chan Yuen Ming, who is also a director of Regal Power Investments Limited.
3. Solar Fortune Investments Limited is wholly and beneficially owned by Mr. Kong Lingbiao, who is a director of Solar Fortune Investments Limited and a non-executive director of the Company.
4. Joy Glory Limited is wholly and beneficially owned by Mr. Lau Chi Yuen, Joseph.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more of the issued share capital of the Company as at 30 September 2013.

CORPORATE GOVERNANCE

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.4.1 stipulated 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 A.6.7 stipulated that the independent non-executive directors and other non-executive directors should attend general meetings. Two independent non-executive Directors were absent from the annual general meeting of the Company held on 22 August 2013 (the "AGM") due to their other important engagements.

To ensure compliance with the CG Code in the future, the Company will arrange to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule that all Directors (including the Chairman) can attend the general meetings.

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 period under review.

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 six months ended 30 September 2013.

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 period ended 30 September 2013. 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 INTERIM RESULTS AND INTERIM REPORT ON THE
WEBSITE OF THE COMPANY AND OF THE STOCK EXCHANGE**

The interim results announcement is published on the websites of the Company (www.hycomm-wireless.com) and the Stock Exchange. The interim report containing all the information required by the Listing Rules will be dispatched to shareholders and will be available at the above websites in due course.

By Order of the Board
Liu Shun Chuen
Chairman

Hong Kong, 28 November 2013

As at the date thereof, the executive directors of the Company are Mr. Liu Shun Chuen and Mr. Yeung Sau Chung, the non-executive director is Mr. Kong Lingbiao, the independent non-executive directors are Mr. Ng Wai Hung, Mr. Wu Wang Li and Mr. Jacobsen William Keith.