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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 THE YEAR ENDED 31 MARCH 2014

The Board of Directors (the "Board") of HyComm Wireless Limited (the "Company") announces the audited consolidated results for the year ended 31 March 2014 of the Company and its subsidiaries (collectively referred to as the "Group"), together with the comparative figures for 2013, are set out below:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Turnover	*2*	**9,122**	9,338
Revaluation gains on investment properties		**5,713**	1,100
Other revenue	*3*	**1,984**	1,676
Other losses, net	*3*	**(4,271)**	–
Operating costs		**(12,120)**	(13,014)
Profit/(loss) from operations		**428**	(900)
Share of profits/(losses) of joint ventures		**203**	(432)
Profit/(loss) before taxation	*4*	**631**	(1,332)
Taxation	*5*	**134**	–
Profit/(loss) for the year		**765**	(1,332)
Other comprehensive loss for the year			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
— Change in fair values during the year		**4,622**	(2,340)
— Realisation of change in fair value on disposal		**1,218**	–
Other comprehensive income/(loss) for the year, net of tax		**5,840**	(2,340)
Total comprehensive income/(loss) for the year		**6,605**	(3,672)

* *For identification purposes only*

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Profit/(loss) attributable to:			
Equity holders of the Company		**713**	(1,414)
Non-controlling interests		**52**	82
Profit/(loss) for the year		**765**	(1,332)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**6,553**	(3,754)
Non-controlling interests		**52**	82
Total comprehensive income/(loss) for the year		**6,605**	(3,672)
Earnings/(loss) per share attributable to equity holders of the Company for the year (expressed in HK cents)	*6*		
Basic		**0.14**	(0.28)
Diluted		**N/A**	N/A

Consolidated Statement of Financial Position
At 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Investment properties		**81,600**	126,100
Property, plant and equipment		**11**	116
Interest in joint ventures		**28,668**	18,711
Available-for-sale financial assets		**1,811**	4,989
		112,090	149,916
Current assets			
Trade and other receivables	*7*	**9,539**	20,551
Cash and cash equivalents		**198,032**	141,671
		207,571	162,222
Current liabilities			
Other payables and accrued charges	*8*	**1,032**	733
Income tax payable		**10**	–
		1,042	733
Net current assets		**206,529**	161,489
Total assets less current liabilities		**318,619**	311,405
Non-current liabilities			
Deferred tax liabilities		**861**	252
		861	252
Net assets		**317,758**	311,153
Capital and reserves			
Share capital		**49,928**	49,928
Reserves		**267,634**	261,081
Total equity attributable to equity holders of the Company		**317,562**	311,009
Non-controlling interests		**196**	144
Total equity		**317,758**	311,153

Consolidated Statement of Changes in Equity

Year ended 31 March 2014

	Share capital *HK$'000*	Share premium *HK$'000*	Surplus account (note i) *HK$'000*	Fair value reserve (note ii) *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
Balance at 1 April 2012	49,928	143,807	255,025	(4,368)	(129,629)	314,763	62	314,825
Comprehensive income								
Profit/(loss) for the year	–	–	–	–	(1,414)	(1,414)	82	(1,332)
Other comprehensive loss								
Change in fair value of available-for-sale financial assets	–	–	–	(2,340)	–	(2,340)	–	(2,340)
Total other comprehensive loss	–	–	–	(2,340)	–	(2,340)	–	(2,340)
Total comprehensive income/(loss)	–	–	–	(2,340)	(1,414)	(3,754)	82	(3,672)
Balance at 31 March 2013 and 1 April 2013	49,928	143,807	255,025	(6,708)	(131,043)	311,009	144	311,153
Comprehensive income								
Profit for the year	–	–	–	–	713	713	52	765
Other comprehensive income								
Change in fair value of available-for-sale financial assets	–	–	–	4,622	–	4,622	–	4,622
Realisation of change in fair value on disposal of available-for-sale financial assets	–	–	–	1,218	–	1,218	–	1,218
Total other comprehensive income	–	–	–	5,840	–	5,840	–	5,840
Total comprehensive income	–	–	–	5,840	713	6,553	52	6,605
Balance at 31 March 2014	49,928	143,807	255,025	(868)	(130,330)	317,562	196	317,758

Notes:

i. The surplus account represents the difference between the nominal amount of the share capital issued by the Company and the aggregate of the nominal amount of the issued share capital and other reserve accounts of a subsidiary which was acquired by the Company pursuant to the Group reorganisation in 1997.

ii. The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period.

Notes:

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

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

HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of the new and revised HKFRSs do not have significant financial effect on these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Impacts of the adoption of new or amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice. As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

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 four identified reportable segments.

- Leasing of properties: this segment mainly leases residential, industrial and commercial 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.
- Property investments: this segment mainly holds commercial properties to gain from appreciation in property values. Currently this investment property portfolio is located entirely in Hong Kong.
- Carpark management: this segment mainly sub-leases carparks to generate rental income. Currently, the Group's carpark operations are 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 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/losses on disposals of available-for-sale financial assets, revaluation gains/losses 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, property investments, carpark management and loan financing of the individual 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$'000*	Property investments *HK$'000*	Carpark management *HK$'000*	Loan financing *HK$'000*	Total *HK$'000*
2014					
Reportable segment revenue					
Revenue from external customers	**783**	**–**	**6,718**	**1,621**	**9,122**
Reportable segment profit/(loss) (adjusted EBITDA)	**23**	**203**	**(254)**	**1,221**	**1,193**
Interest income from bank deposits	**1**	**–**	**–**	**93**	**94**
Revaluation gains on investment properties	**5,713**	**–**	**–**	**–**	**5,713**
Reportable segment assets					
Investment properties	**81,600**	**–**	**–**	**–**	**81,600**
Interest in joint ventures	**–**	**28,668**	**–**	**–**	**28,668**
Trade and other receivables	**97**	**–**	**524**	**8,441**	**9,062**
Cash and cash equivalents	**1,873**	**–**	**1,043**	**780**	**3,696**
Reportable segment liabilities					
Other payables and accrued charges	**(378)**	**–**	**(36)**	**(16)**	**(430)**
Deferred tax liabilities	**(861)**	**–**	**–**	**–**	**(861)**

	Leasing of properties *HK$'000*	Property investments *HK$'000*	Carpark management *HK$'000*	Loan financing *HK$'000*	Total *HK$'000*
2013					
Reportable segment revenue					
Revenue from external customers	196	–	6,662	2,480	9,338
Reportable segment profit/(loss) (adjusted EBITDA)	(519)	(432)	(44)	2,030	1,035
Interest income from bank deposits	–	–	–	12	12
Share of losses of joint ventures	–	(432)	–	–	(432)
Revaluation gains on investment properties	1,100	–	–	–	1,100
Reportable segment assets					
Investment properties	126,100	–	–	–	126,100
Property, plant and equipment	101	–	–	–	101
Interest in joint ventures	–	18,711	–	–	18,711
Trade and other receivables	36	–	392	19,694	20,122
Cash and cash equivalents	354	–	2,644	10,930	13,928
Reportable segment liabilities					
Other payables and accrued charges	(77)	–	(47)	(15)	(139)
Deferred tax liabilities	(252)	–	–	–	(252)

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

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**9,122**	9,338
Profit or loss		
Reportable segment profit	**1,193**	1,035
Elimination of inter-segment expenses	**1,676**	1,472
Other revenue	**1,984**	1,676
Revaluation gains on investment properties	**5,713**	1,100
Losses on disposal of available-for-sale financial assets	**(1,218)**	–
Loss on disposal of property, plant and equipment	**(94)**	–
Net loss on sale of investment properties	**(2,959)**	–
Unallocated operating expenses	**(5,664)**	(6,615)
Consolidated profit/(loss) before taxation	**631**	(1,332)
Assets		
Reportable segment assets	**123,026**	178,962
Unallocated assets	**196,635**	133,176
Consolidated total assets	**319,661**	312,138
Liabilities		
Reportable segment liabilities	**(1,291)**	(391)
Unallocated liabilities	**(612)**	(594)
Consolidated total liabilities	**(1,903)**	(985)

(c) Geographic information

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

3. OTHER REVENUE AND OTHER LOSSES, NET

	2014	2013
	HK$'000	*HK$'000*
Other revenue		
Bank interest income	**1,569**	1,672
Other loan interest income	**415**	4
Interest income on financial assets not at fair value through profit or loss	**1,984**	1,676
Other losses, net		
Available-for-sale securities: reclassified from equity on disposal	**(1,218)**	–
Net loss on sale of investment properties	**(2,959)**	–
Loss on disposal of property, plant and equipment	**(94)**	–
	(4,271)	–

4. PROFIT/(LOSS) BEFORE TAXATION

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

	2014	2013
	HK$'000	*HK$'000*
(a) Staff costs		
Salaries, bonuses and awards (including directors' emoluments)	**3,272**	2,896
Contributions to defined contribution plan	**143**	111
	3,415	3,007
(b) Other items		
Auditors' remuneration	**556**	566
Depreciation	**16**	23
Operating lease charges in respect of rented premises	**4,682**	5,398
Rental income, net of outgoings	**(2,277)**	(1,847)

5. TAXATION

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2014	2013
	HK$'000	*HK$'000*
Current tax — Hong Kong Profits Tax		
Provision for the year	**58**	–
Deferred tax		
Current year	**(192)**	–
	(134)	–

The provision for Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax for 2013 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:

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss) before taxation	**631**	(1,332)
Notional tax on profit/(loss) before taxation	**104**	(220)
Tax effect of non-deductible expenses	**1,514**	173
Tax effect of non-taxable revenue	**(1,187)**	(457)
Tax effect of unused tax losses not recognised	**48**	843
Tax effect of prior year tax losses utilised in the current year	**(673)**	(337)
Tax effect of temporary differences not recognised	**49**	(2)
Underprovision of tax for previous years	**11**	–
Tax (credit)/charge for the year	**(134)**	–

6. EARNINGS/(LOSS) PER SHARE

(a) Basic

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

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss) attributable to equity holders of the Company	**713**	(1,414)
Weighted average number of ordinary shares in issue (thousands)	**499,277**	499,277

(b) Diluted

No diluted earnings/(loss) per share is presented as there were no potential ordinary share outstanding during both years ended 31 March 2014 and 2013.

7. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**199**	113
Loans receivable	**7,820**	19,680
Loan interest receivables	**644**	10
Loans and receivables	**8,663**	19,803
Deposit and prepayments	**876**	748
	9,539	20,551

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

	2014	2013
	HK$'000	*HK$'000*
Current	**–**	–
Less than 1 month past due	**199**	113
	199	113

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 receivables balance are debtors with an aggregate carrying amount of approximately HK$199,000 (2013: HK$113,000) 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

	2014	2013
	HK$'000	*HK$'000*
Accrued charges	**705**	689
Other payables	**1**	11
Deposit received	**326**	33
Financial liabilities measured at amortised cost	**1,032**	733

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

9. ACQUISITION OF SUBSIDIARIES

On 25 November 2013, the Group acquired 100% of the issued share capital of Electronics Tomorrow Property Holdings Limited ("ETPH") and Issegon Company Limited ("Issegon"). ETPH, an investment holding company, is the parent of Issegon and Issegon is engaged in leasing of property for rental income. The acquisition was made as part of the Group's strategy to seek investment to broaden its income stream. The purchase consideration was in the form of cash, with HK$6,850,000 paid at the day of signing the sale and purchase agreement and the balance was paid on 25 November 2013. The acquisition has been accounted for using acquisition method. The fair values of the identifiable assets and liabilities of ETPH and Issegon were as follows:

	Carrying amount on acquisition *HK$'000*	**Fair value adjustment** *HK$'000*	**Total fair value recognised on acquisition** *HK$'000*
Net assets acquired:			
Bank and cash balances	631	–	631
Deposits and prepayment	92	–	92
Income tax recoverable	30	–	30
Investment properties	65,100	3,487	68,587
Accrued charges	(39)	–	(39)
Deferred tax liabilities	(801)	–	(801)
	65,013	3,487	68,500

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:	
Cash consideration paid	68,500
Bank and cash balances acquired	(631)
Net cash outflow arising on acquisition	67,869

10. RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with related parties during the year ended 31 March 2014:

	2014 ***HK$'000***	2013 *HK$'000*
Interest income received from:		
Citi Charm Limited	**223**	–
Riccini Investments Limited	**193**	–

Citi Charm Limited and Riccini Investments Limited are joint ventures of the Group.

DIVIDENDS

The Board does not recommend the payment of any dividends for the year ended 31 March 2014 (2013: 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 leasing of investment properties, property investment, provision of loan financing and operating the leasing of car parking spaces.

Business Review

During the year ended 31 March 2014, the Group recorded turnover for the year of approximately HK$9.1 million (2013: HK$9.3 million) and a profit for the year of approximately HK$0.8 million (2013: loss of HK$1.3 million). The profit for the year was mainly attributable to the increase in the amount of revaluation gains on investment properties.

For the year ended 31 March 2014, the earnings per share amounted to HK0.14 cents, as compared with loss per share of HK0.28 cents in the previous year. As at 31 March 2014, the Group's cash position amounted to HK$198.0 million (2013: HK$141.7 million) representing 62.34% (2013: 45.56%) of the equity attributable to equity holders of the Company of HK$317.6 million (2013: HK$311.0 million).

During the year under review, the Group was mainly engaged in the businesses of leasing of investment properties, property investment, sub-leasing of car parking spaces and the provision of loan financing. The rental income from the leasing of car parking spaces and the investment properties and interest income from loan financing continued to contribute to and provide stable income streams to the Group. The Group recorded turnover of HK$9.12 million which was represented by the businesses of leasing of properties, carpark management and loan financing in the amounts of HK$0.78 million, HK$6.72 million and HK$1.62 million, respectively. The Group recorded profits in the segments of leasing of properties, loan financing and property investments of approximately HK$0.02 million, HK$1.22 million and HK$0.20 million, respectively and losses of HK$0.25 million in the segments of carpark management.

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, 25 September 2013, 25 November 2013 and 29 November 2013, the Company disposed of a residential unit for a cash consideration of HK$110 million and acquired the entire issued share capital of a company which indirectly holds various workshops for a consideration of HK$68.5 million.

Prospects

The disposal of residential properties 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 of workshops 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.

The global economy appears to be on the path of recovery but still has challenges ahead and the outlook for global economic environment in 2014 remains unclear. 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, financial resources, pledge of assets and contingent liabilities

As at 31 March 2014, bank and cash balances (including time deposits) maintained by the Group were HK$198.0 million (2013: HK$141.7 million), representing an increase of HK$56.3 million compared with the position as at 31 March 2013. It is believed that the Group has adequate cash resources to meet its normal working capital requirements and any commitments for future developments. The gearing of the Group, measured as total debts to total assets, was 0.3% (2013: 0.2%) as at 31 March 2014.

Most of the business transactions conducted by the Group were denominated in Hong Kong dollars. As at 31 March 2014, 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 2014, the Group did not have any material contingent liabilities or capital commitments.

Employees

As at 31 March 2014, the Group had 11 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 and other staff welfare benefits.

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.4.1 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 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 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 in fact 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. Liu Shun Chuen and Mr. Yeung Sau Chung, the non-executive director is Mr. Kong Lingbiao 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. Kong Lingbiao and Mr. Jacobsen William Keith 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, and overview the auditing and financial reporting processes and the internal control systems of the Group, including a review of the annual results. The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and also reviews 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 2014 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
Liu Shun Chuen
Chairman

Hong Kong 30 June 2014