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HyComm
HYCOMM WIRELESS LIMITED
華脈無線通信有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 0499)

- (1) PROPOSED SHARE CONSOLIDATION;**
(2) PROPOSED OPEN OFFER ON THE BASIS OF
ONE OFFER SHARE FOR EVERY TWO CONSOLIDATED
SHARES HELD ON THE RECORD DATE;
(3) MAJOR TRANSACTION INVOLVING ACQUISITION OF
THE MILLION GOOD SHARES AND MILLION GOOD LOAN
AND
(4) RESUMPTION OF TRADING

Underwriters to the Open Offer
REGAL POWER INVESTMENTS LIMITED

AND



HEAD & SHOULDERS SECURITIES LIMITED

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every five Existing Shares of HK\$0.001 each be consolidated into one Consolidated Share of HK\$0.005 each. As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 2,000,000,000 Existing Shares of which 4,160,639,015 Existing Shares are in issue and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$2,000,000,000 divided into 400,000,000,000 Consolidated Shares of which 832,127,803 Consolidated Shares will be in issue and will be fully paid or credited as fully paid.

* for identification purpose only

PROPOSED OPEN OFFER

Subject to the Share Consolidation becoming effective, the Company proposes to raise not more than HK\$41.6 million before expenses, by way of the Open Offer of not more than 416,063,901 Offer Shares at a price of HK\$0.1 per Offer Share on the basis of one Offer Share for every two Consolidated Shares held on the Record Date and payable in full on acceptance. Qualifying Shareholders are entitled to apply for excess Offer Shares in excess of their respective entitlements under the Open Offer. The Open Offer will not be extended to the Excluded Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Friday, 22 August 2008. The register of members of the Company will be closed from Monday, 25 August 2008 to Tuesday, 26 August 2008, both dates inclusive, to determine the eligibility of the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite, on a fully underwritten basis, all the Offer Shares not being taken up.

The estimated net proceeds from the Open Offer will be approximately HK\$40.0 million. The Board intends to apply such proceeds from the Open Offer for general working capital of the Group.

Warning of the risk of dealings in the Shares

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 21 August 2008 and that dealings in Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject to are fulfilled (which is expected to be on Wednesday, 17 September 2008), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders as soon as practicable.

MAJOR TRANSACTION INVOLVING ACQUISITION OF MILLION GOOD SHARES AND MILLION GOOD LOAN

On 16 July, 2008 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors pursuant to which the Purchaser has agreed to acquire and the Vendors have agreed to sell the Million Good Shares, representing the entire issued share capital of Million Good, and the Million Good Loan for an aggregate consideration of HK\$37,000,000, which will be satisfied by the Purchaser in cash from internal resources of the Group. The Million Good Shares represent the entire issued share capital of Million Good, which owns Million Good Property.

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM. As the Vendors are Independent Third Parties and have no interest in the Shares and no Shareholder has a material interest in the Acquisition which is different from other Shareholders, no Shareholder is required to abstain from voting in respect of the proposed ordinary resolution to approve the Acquisition Agreement at the SGM.

GENERAL

A circular containing, among other things, details of the Share Consolidation and the Acquisition Agreement, and a notice to convene the SGM to approve the Share Consolidation and the Acquisition Agreement will be despatched to the Shareholders as soon as possible.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 17 July 2008 pending the release of this announcement at the request of the Company. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 July 2008.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every five Existing Shares of HK\$0.001 each be consolidated into one Consolidated Share of HK\$0.005 each. As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 2,000,000,000,000 Existing Shares of which 4,160,639,015 Existing Shares are in issue and are fully paid or credited as fully paid. As at the date of this announcement, save for the Convertible Notes entitling the holders thereof to convert into 1,500,000,000 Existing Shares (equivalent to 300,000,000 Consolidated Shares), the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Effects of the Share Consolidation

The Consolidated Shares will rank pari passu in all respects with the Existing Shares in issue prior to the Share Consolidation becoming effective and there will be no change in the respective rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional Consolidated Shares will be aggregated and sold for the benefit of the Company. Board

lot size for trading in the Consolidated Shares will remain unchanged at 20,000 Consolidated Shares per board lot, which is the same board lot size for trading in the Existing Shares on the Stock Exchange. Based on the closing price of HK\$0.031 per Existing Share (or HK\$0.155 per Consolidated Share assuming the Share Consolidation becoming effective) on the Last Trading Date, the value of each board lot of 20,000 Existing Shares was HK\$620 (or each board lot of 20,000 Consolidated Shares would be HK\$3,100 assuming the Share Consolidation becoming effective). Other than the expenses to be incurred by the Company in relation to the Share Consolidation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the interests of the Shareholders as a whole (including the respective rights of the Shareholders).

The following table shows the total authorised share capital of the Company as at the date of this announcement and immediately after the Share Consolidation becoming effective:

	Number of Existing Shares as at the date of this announcement	HK\$	Number of Consolidated Shares immediately after the Share Consolidation becoming effective	HK\$
Total authorised	2,000,000,000,000	2,000,000,000.000	400,000,000,000	2,000,000,000.000
Total issued	4,160,639,015	4,160,639.015	832,127,803	4,160,639.015
Total unissued	1,995,839,360,985	1,995,839,360.985	399,167,872,197	1,995,839,360.985

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions having been fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (b) compliance with all applicable legal procedures and requirements under Bermuda law to effect the Share Consolidation in Bermuda in accordance with the Companies Act; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

Reasons for the Share Consolidation

Taking into account that the Share Consolidation will increase the nominal value of the Existing Shares and should increase their trading price per board lot, and hence reducing the overall transaction and handling costs for dealings in the Consolidated Shares, the Directors are of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the ordinary resolution for approval of the Share Consolidation at the SGM. The Share Consolidation will enable the Company to comply with Rule 13.64 of the Listing Rules in the future.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and the permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Arrangement for odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a matching agent to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from Wednesday, 27 August 2008 to Thursday, 2 October 2008 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact the matching agent during this period. The Company will provide the details of the matching agent in the circular, which shall contain, inter alia, further information on the Share Consolidation, to be despatched to the Shareholders. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Trading arrangement for the Consolidated Shares

The detailed trading arrangement for the Share Consolidation will be set out in the circular, which shall contain, inter alia, further information on the Share Consolidation, to be despatched to the Shareholders.

Exchange of share certificates

Shareholders may exchange their share certificates for the Existing Shares for new share certificates for the Consolidated Shares on or after Wednesday, 27 August 2008. This may be done free of charge by delivering the share certificates for the Existing Shares to the office of the Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, during the period from Wednesday, 27 August 2008 to Thursday, 16 October 2008 (both dates inclusive).

After the prescribed time for free exchange of share certificates, share certificates for the Existing Shares will be accepted for exchange for share certificates for the Consolidated Shares only on payment of a fee of HK\$2.50 (or such higher amount as may be stipulated by the Stock Exchange from time to time) for each new share certificate to be issued or each old share certificate submitted, whichever number of share certificates is higher, to the Registrar for exchange of share certificates. Nevertheless, share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but are not acceptable for trading, settlement and registration purpose after Thursday, 2 October 2008, being the last day of operation of temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares.

It is expected that new share certificates for the Consolidated Shares will be available for collection on or after the tenth Business Day from the date of submission of the certificates for the Existing Shares to the Registrar. Unless otherwise instructed, new share certificates for the Consolidated Shares will be issued in board lots of 20,000 Consolidated Shares.

Adjustments in relation to Convertible Notes

As at the date of this announcement, the Company has issued the Convertible Notes entitling the holders thereof to convert into an aggregate of 1,500,000,000 Existing Shares (equivalent to 300,000,000 Consolidated Shares).

The Share Consolidation will cause adjustments to the subscription price and the number of Consolidated Shares to be issued under the Convertible Notes. The Company will notify the holders of the Convertible Notes regarding adjustments to be made (if any) pursuant to the terms and conditions of the Convertible Notes. Further announcement will be made by the Company regarding the adjustments to be made to the conversion price and the number of conversion shares under the Convertible Notes as a result of the Share Consolidation and such adjustment will be certified by the Company's auditors.

PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer:	One Offer Share for every two Consolidated Shares held on the Record Date and payable in full on acceptance
Subscription Price:	HK\$0.1 per Offer Share
Number of Existing Shares in issue as at the date of this announcement and Consolidated Shares assuming the Share Consolidation becoming effective:	4,160,639,015 Existing Shares (equivalent to 832,127,803 Consolidated Shares)
Number of Offer Shares:	not more than 416,063,901 Offer Shares
Number of Offer Shares undertaken to be taken up by Regal Power and number of Offer Shares underwritten by Regal Power:	Regal Power has given the Irrevocable Undertaking in favour of the Company and Head & Shoulders to subscribe for 59,000,000 Offer Shares to which Regal Power is entitled under the Open Offer; and pursuant to the Underwriting Agreement, Regal Power has conditionally agreed to underwrite a maximum of 148,000,000 Offer Shares

Number of Offer Shares underwritten
by Head & Shoulders:

Pursuant to the Underwriting Agreement, Head & Shoulders has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up and underwritten by Regal Power) which have not been taken up, being 209,063,901 Offer Shares. Accordingly, the Open Offer is fully underwritten.

Number of Shares in issue upon
completion of the Open Offer:

1,248,191,704 Consolidated Shares

The Offer Shares proposed to be issued pursuant to the terms of the Open Offer represent approximately 50.0% of the entire issued share capital of the Company upon the Share Consolidation becoming effective and approximately 33.3% of the entire issued capital of the Company as enlarged by the issue of the Offer Shares and upon Share Consolidation.

Save for the Convertible Notes entitling the holders thereof to convert into 300,000,000 Consolidated Shares (subject to any adjustments as referred to above), the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement and has no intention to issue any new Shares or any of the above securities before the Record Date.

LISTING

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders. To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not be an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Friday, 22 August 2008. The address of the Registrar is 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange. The Directors consider that the arrangement of trading in nil-paid entitlements on the Stock Exchange will involve additional administrative work and costs for the Open Offer, which is not considered to be cost-effective.

Closure of register of members

The register of members of the Company will be closed from Monday, 25 August 2008 to Tuesday, 26 August 2008, both dates inclusive, to determine the eligibility of the Open Offer. No transfers of Shares will be registered during this period.

Subscription Price

The Subscription Price for the Offer Shares is HK\$0.1 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 35.5% to the closing price of HK\$0.155 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 27.0% to the theoretical ex-entitlement price of approximately HK\$0.137 per Consolidated Share based on the closing price of HK\$0.155 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Last Trading Day;
- (iii) a discount of approximately 39.4% to the average of the closing prices of HK\$0.165 per Consolidated Share (assuming the Share Consolidation becoming effective) for the last five consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 37.9% to the average of the closing prices of HK\$0.161 per Consolidated Share (assuming the Share Consolidation becoming effective) for the last ten consecutive trading days up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to, among other things, the prevailing market price of the Shares, liquidity and performance of the Shares and the prevailing market conditions. The Directors consider that the discount of the Subscription Price to the market price of the Shares is in line with that of other recent rights issues and/or open offers. In view of the above, the Directors (including the independent non-executive Directors) consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Fractions of Offer Shares

Fractional entitlements to the Offer Shares will not be issued but will be aggregated and made available for excess applications. The Company will not allot any fractions of Offer Shares.

Certificates of the fully-paid Offer Shares and refund cheques

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Monday, 22 September 2008 to those entitled thereto by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares are also expected to be posted on or before Thursday, 16 October 2008 by ordinary post at their own risk.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders.

Application for excess Offer Shares

Qualifying Shareholders may apply (using forms of application for excess Offer Shares) for entitlements of the Excluded Shareholders, any Offer Shares provisionally allotted but not accepted and the aforementioned aggregated fractional entitlements. The Directors will allocate excess Offer Shares at their discretion on a fair and equitable basis on the following principles:

- (a) preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings; and
- (b) subject to availability of excess Offer Shares allocation under principle (a) above,
 - (1) in the case of over-subscription for the excess Offer Shares, the excess Offer Shares will be allocated to Qualifying Shareholders who have applied for excess Offer Shares in proportion to the Shares held by them at the Record Date, and with board allocations to be made on best effort basis, as the Directors consider that such allocation basis will provide the Shareholders with an opportunity to maintain their shareholding in the Company as at the Record Date; and
 - (2) in the case of under-subscription for the excess Offer Shares, the excess Offer Shares will be allocated to Qualifying Shareholders who have applied for excess Offer Shares based on the number of excess Offer Shares they have applied for, and with board allocations to be made on best effort basis.

Shareholders or potential investors should note that the number of excess Offer Shares which may be allocated to them may be different where they make applications for excess Offer Shares by different means, such as making applications on their own names as against through nominees who also hold

Shares for other Shareholders/investors. The investors whose Shares are held by a nominee company should note that for the purposes of the principles above, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the investors whose Shares are registered in the name of the nominee companies should note that the aforesaid arrangement in relation to the allocation of excess Offer Shares will not be extended to beneficial owners individually. Shareholders and investors should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names and apply for the excess Offer Shares themselves.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duties and relevant trading fees and Securities and Futures Commission transaction levy in Hong Kong.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date:	16 July 2008 (after trading hours)
Underwriters:	Regal Power and Head & Shoulders
Number of Offer Shares underwritten:	Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite the Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten.
Commission:	2.5% of the aggregate Subscription Price in respect of the maximum number of Offer Shares agreed to be underwritten by the Underwriters, being 357,063,901 Offer Shares

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Head & Shoulders and their respective ultimate beneficial owners are third parties independent of and not connected with each other, the Company and its connected persons. Regal Power, being a substantial Shareholder principally engaging in investment holding, generally not engaging in underwriting business and having no underwriting experience as at the date of this announcement, is not required to procure license to conduct underwriting of the Offer Shares under the Securities and Futures Ordinance. Regal Power intends to take up its underwritten Shares for investment purposes whereas Head & Shoulders intends either to take up its underwritten Shares for investment purpose or to procure subscribers to subscribe for its underwritten Shares.

The entering into of the Underwriting Agreement between the Company and Regal Power is a connected transaction under the Listing Rules. As arrangement has been made in relation to excess application in compliance with Rule 7.26A of the Listing Rules, the Underwriting Agreement is exempted from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.31(3)(c) of the Listing Rules.

The 2.5% commission payable to each of the Underwriters was determined after arm's length negotiations between the Company and the Underwriters based on normal commercial terms with reference to the market rates.

Irrevocable Undertakings given by Regal Power and Holders of Convertible Notes

As at the date of the Underwriting Agreement, Regal Power is the legal and beneficial owner of 590,000,000 Existing Shares (equivalent to 118,000,000 Consolidated Shares), representing approximately 14.18% of the issued share capital of the Company. The entire issued share capital of Regal Power is wholly and beneficially owned by Mr. Chan. Mr. Chan is a holder of the Convertible Notes in the principal amount of HK\$50,000,000 which entitles him to convert into 500,000,000 Existing Shares (equivalent to 100,000,000 Consolidated Shares), representing approximately 12.0% of the existing issued share capital of the Company. Mr. Chan has not exercised any of his conversion rights attaching to the Convertible Notes as at the date of this announcement.

Regal Power has given the Irrevocable Undertaking in favour of the Company and Head & Shoulders to subscribe for 59,000,000 Offer Shares to which Regal Power is entitled under the Open Offer; and pursuant to the Underwriting Agreement, Regal Power has conditionally agreed to underwrite a maximum of 148,000,000 Offer Shares.

All holders of the Convertible Notes have given irrevocable undertakings in favour of the Company and the Underwriters not to convert any Shares under the Convertible Notes before the Record Date. As at the date of this announcement, the Company has issued Convertible Notes in the principal amount of HK\$150,000,000 which entitle the holders thereof to convert into 300,000,000 Consolidated Shares. Further announcement will be made by the Company regarding the adjustments to be made to the conversion price and the number of conversion shares under the Convertible Notes as a result of the Open Offer and such adjustment will be certified by the Company's auditors.

Conditions of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no typical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the reasonable opinion of Regal Power, the success of the Open Offer would be materially and adversely affected by:**
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of Regal Power materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of Regal Power materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of Regal Power is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of Regal Power will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

Regal Power (on behalf of the Underwriters) shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Regal Power (on behalf of the Underwriters) shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriters; or
- (2) any Specified Event comes to the knowledge of the Underwriters.

Any such notice shall be served by Regal Power (on behalf of the Underwriters) prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of and in connection with the Underwriting Agreement and the Open Offer shall not proceed.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (2) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (3) the registration with the Registrar of Companies in Bermuda of one copy of each of the Prospectus Documents, signed by or on behalf of all of the directors of the Company prior to or as soon as reasonably practicable after publication of, the Prospectus Documents;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and together with the Overseas Letter, for information purpose only, on or before the Prospectus Posting Date;
- (5) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and the permission to deal in the Offer Shares by no later than the first day of dealings in the Offer Shares; and
- (6) compliance with and performance of all undertakings and obligations of Regal Power under the Irrevocable Undertaking.

If the conditions precedent are not satisfied and/or in the case of the condition (6) set out above, waived in whole or in part by the Underwriters by the Latest Time for Termination or such other date as the Company and the Underwriters may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 21 August 2008 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject to are fulfilled (which is expected to be on Wednesday, 17 September 2008), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer:

	As at the date of this announcement		Immediately after Share Consolidation and before Open Offer		Immediately after completion of Open Offer (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer, except that Regal Power takes up all of its entitlement and underwrites a maximum of 148,000,000 Offer Shares)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up their respective entitlements)		Immediately after completion of Open Offer and full conversion of Convertible Notes (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer, except that Regal Power takes up all of its entitlement and underwrites a maximum of 148,000,000 Offer Shares)		Immediately after completion of Open Offer and full conversion of Convertible Notes (assuming all Qualifying Shareholders take up their respective entitlements)	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Regal Power (Note 1)	590,000,000	14.18	118,000,000	14.18	325,000,000	26.04	177,000,000	14.18	325,000,000	20.99	177,000,000	11.43
Mr. Chan	-	-	-	-	-	-	-	-	100,000,000	6.46	100,000,000	6.46
Mr. Lai Yiu Keung (Note 2)	391,700,000	9.41	78,340,000	9.41	78,340,000	6.28	117,510,000	9.41	78,340,000	5.06	117,510,000	7.59
Head & Shoulders	-	-	-	-	209,063,901	16.75	-	-	209,063,901	13.50	-	-
Mr. Choi	-	-	-	-	-	-	-	-	16,000,000	1.03	16,000,000	1.03
Public Shareholders	3,178,939,015	76.41	635,787,803	76.41	635,787,803	50.93	953,681,704	76.41	819,787,803	52.96	1,137,681,704	73.49
	<u>4,160,639,015</u>	<u>100.00</u>	<u>832,127,803</u>	<u>100.00</u>	<u>1,248,191,704</u>	<u>100.00</u>	<u>1,248,191,704</u>	<u>100.00</u>	<u>1,548,191,704</u>	<u>100.00</u>	<u>1,548,191,704</u>	<u>100.00</u>

Notes:

1. Regal Power is wholly and beneficially owned by Mr. Chan.
2. Mr. Lai Yiu Keung is the chairman and an executive Director.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is engaged in property investment and development, provision of loan financing and leasing of car parking spaces, short message services and trading of communication products.

The estimated net proceeds from the Open Offer will be approximately HK\$40.0 million. The Board intends to apply such proceeds from the Open Offer for general working capital of the Group.

The estimated expense in relation to the Open Offer, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses, of approximately HK\$1,600,000, will be borne by the Company. Having considered other fund raising alternatives for the Group, including bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST 12 MONTHS IMMEDIATELY BEFORE THE DATE OF THIS ANNOUNCEMENT

The following table summaries the capital raising activities of the Group in the last 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
3 August 2007	Placing of 320,000,000 Shares	HK\$39,513,600	Acquisition of the right to operate the rural land as in the Company's announcement dated 3 August 2007	Acquisition of the right to operate the rural land as disclosed in the Company's announcement dated 3 August 2007
15 October 2007	Placing of 5% Secured Convertible Notes Due 2011	HK\$146,000,000	For general working capital	The net proceeds have been deposited into the savings account of the Company to be reserved for general working capital of the Group

There has been no change in the above use of proceeds for the captioned raising activities.

The Directors (including the independent non-executive Directors) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer and the fund raising activities conducted by the Company in the last 12 months.

EXPECTED TIMETABLE OF THE OPEN OFFER

2008

Despatch of the circular containing, among other things, notice of SGM	on or before Monday, 11 August
Last day of dealings in Shares on a cum-entitlement basis.	Wednesday, 20 August
First day of dealings in Shares on an ex-entitlement basis.	Thursday, 21 August
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:30 p.m. on Friday, 22 August
Latest time for lodging forms of proxy for the purpose of the SGM	11:00 a.m. on Sunday, 24 August
Register of members of the Company closed (both dates inclusive)	Monday, 25 August and Tuesday, 26 August (both dates inclusive)
Record Date	Tuesday, 26 August
SGM	11:00 a.m. on Tuesday, 26 August
Effective date of the Share Consolidation	Wednesday, 27 August
Announcement of the results of the SGM	Wednesday, 27 August
Original counter for trading in the Existing Shares in board lots of 20,000 of Existing Shares temporarily closes	9:30 a.m. on Wednesday, 27 August
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares opens (in the form of existing share certificates)	9:30 a.m. on Wednesday, 27 August
First day for free exchange of existing share certificates for new share certificates.	9:30 a.m. on Wednesday, 27 August

First day of operation of odd lots trading facility.	Wednesday, 27 August
Register of members of the Company re-opens	Wednesday, 27 August
Despatch of the Prospectus Documents (in case of the Excluded Shareholders, the Prospectus and the Overseas Letter only).	Thursday, 28 August
Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares re-opens (in the form of new share certificates).	9:30 a.m. on Wednesday, 10 September
Parallel trading in the Consolidated Shares (in the forms of both existing and new share certificates) commences	9:30 a.m. on Wednesday, 10 September
Latest Time for Acceptance.	4:00 p.m. on Thursday, 11 September
Latest time for the Open Offer to become unconditional (being the third Business Day following the Latest Time for Acceptance)	4:00 p.m. on Wednesday, 17 September
Announcement of the results of the Open Offer.	Wednesday, 17 September
Despatch of share certificates for Offer Shares	On or before Monday, 22 September
Dealings in fully-paid Offer Shares commence	Wednesday, 24 September
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares closes (in the form of existing share certificates).	4:10 p.m. on Thursday, 2 October
Parallel trading in the Consolidated Shares ends (in the forms of both existing and new share certificates)	4:10 p.m. on Thursday, 2 October
Last day of operation of odd lots trading facility	Thursday, 2 October
Last day of free exchange of existing share certificates for new share certificates.	Thursday, 16 October

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

GENERAL

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders as soon as practicable.

THE ACQUISITION AGREEMENT

Date

16 July 2008 (after trading hours)

Parties

Purchaser : Capital Up Holdings Limited, a direct wholly-owned subsidiary of the Company

Vendors : Cheung Fung Kuen, Maggie and Choi Chiu Fai Stanley, all of them are Independent Third Parties

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiry, the Vendors are Independent Third Parties. Mr. Choi is a holder of the Convertible Notes in the principal amount of HK\$8,000,000 which entitles him to convert into 80,000,000 Existing Shares (equivalent to 16,000,000 Consolidated Shares), representing approximately 1.9% of the entire issued share capital of the Company as at the date of this announcement and approximately 1.9% of the entire issued share capital of the Company upon the Share Consolidation becoming effective. As at the date of this announcement, Mr. Choi has not exercised any of his conversion rights attaching to the Convertible Notes and as such, he is neither a substantial Shareholder nor a connected person of the Company as defined under the Listing Rules. Save as disclosed above, none of the Vendors holds any Shares or securities in the Company.

Assets to be acquired

The assets to be acquired comprise of the Million Good Shares, representing the entire issued share capital of Million Good, and the Million Good Loan. Million Good legally and beneficially owns the Million Good Property. The only asset held by Million Good is Million Good Property. Upon Completion, Million Good will become an indirect wholly-owned subsidiary of the Company.

The Million Good Loan represents all amounts (whether principal, interest or otherwise) which Million Good owes to the Vendors as at the Completion Date, the amount of which as at 31 May 2008 was approximately HK\$12.0 million. The Million Good Loan was incurred by the amounts from time to time advanced to Million Good by the Vendors.

Consideration for Acquisition

The aggregate Consideration for Acquisition is HK\$37,000,000 which shall be paid by the Purchaser to the Vendors in cash as follows:

- (a) HK\$2,000,000 being paid as a refundable deposit upon the signing of the Acquisition Agreement; and
- (b) HK\$35,000,000 being paid by the Purchaser to the Vendors on or before 270 days from the Completion Date.

If the Purchaser elects to pay the balance of the Consideration in the sum of HK\$35,000,000 to the Vendors after the Completion Date, the Purchaser shall pay to the Vendors an interest on the balance of the Consideration calculated at the rate of 4% per annum from the Completion Date to the date of actual payment (the “**Interest**”). The Interest shall become due and payable by the Purchaser upon the date of payment of the balance of the Consideration. As a security for due payment of the Consideration and the Interest by the Purchaser, the Purchaser has agreed to execute a share charge over the Million Good Shares in favour of the Vendors upon Completion whereby the Purchaser will pledge the Million Good Shares in favour of the Vendors.

The Consideration for Acquisition was arrived at after arm’s length negotiations between the parties with reference to the net asset value of Million Good as at 31 May 2008 (excluding the Million Good Loan) of approximately HK\$34.9 million (in which the Million Good Property was valued at approximately HK\$64.0 million (based on a preliminary valuation provided by an independent property valuer as at 31 May 2008) and the outstanding bank loan and overdraft was approximately HK\$29.1 million). The Vendors undertake to procure the settlement of Million Good’s bank overdraft which amounted to approximately HK\$2.6 million as of 31 May 2008 upon Completion; therefore, the net asset value of Million Good (excluding the Million Good Loan) as mentioned above is expected to increase to approximately HK\$37.5 million. The Directors (including the independent non-executive Directors) consider that the Consideration for Acquisition is fair and reasonable.

The purpose of the Million Good Loan was to finance Million Good’s mortgage repayment in relation to the Million Good Property. Million Good’s outstanding bank loan of approximately HK\$26.5 million as of 31 May 2008 referred to the mortgage financing the purchase of the Million Good Property. Million Good’s outstanding bank overdraft of approximately HK\$2.6 million as of 31 May 2008 was incurred to finance Million Good’s mortgage repayment in relation to the Million Good Property.

Conditions precedent

Completion of Acquisition is conditional upon the following conditions being fulfilled and remaining fulfilled or waived by the Purchaser as at Completion:-

- (i) the passing by the Shareholders of a resolution to approve the Acquisition Agreement and the transaction contemplated hereunder at the SGM in accordance with the Listing Rules;
- (ii) all consents of the Stock Exchange and the Securities and Futures Commission (if necessary) and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong or elsewhere which are required or appropriate for the entering into and the implementation of the Acquisition Agreement having been given or made; all waiting periods required under the laws of Hong Kong, or any other relevant jurisdictions having expired or terminated; and all applicable statutory or other legal obligations having been complied with;
- (iii) the Purchaser having conducted a due diligence investigation in respect of Million Good and its subsidiaries including but not limited to their affairs, business, assets, legal and financial structure and the Purchaser being satisfied with the results of such due diligence investigation in its absolute discretion;
- (iv) the Vendors having at their own costs and expenses proved and given a good title to the Million Good Property pursuant to Section 13 of the Conveyancing and Property Ordinance, Cap.219;
- (v) no event having occurred since the date of signing of the Acquisition Agreement to the Completion Date, the consequence of which is to materially and adversely affect the financial position, business or the Million Good Property, results of operations or business prospects of Million Good and such material adverse changes (or effect) shall not have been caused; and
- (vi) the warranties in the Acquisition Agreement remaining true and accurate in all material respects.

As the Company has not conducted a due diligence at the Million Good Property as at the date of this announcement and the material asset of Million Good is the Million Good Property, the condition (iv) that the Vendors should prove that they have good title to the Million Good Property was incorporated in the Acquisition Agreement unless such condition is waived by the Purchaser.

In the event that not all the above conditions precedent have been fulfilled or waived by the Purchaser by no later than 5:00 p.m. on the business Day before the Completion Date of Acquisition (or by such later date(s) as the parties hereto may agree in writing), the Acquisition Agreement shall lapse and be of no further effect and the Vendors shall forthwith return the deposit of HK\$2,000,000 paid by the Purchaser under the Acquisition Agreement to the Purchaser.

Completion

Completion shall take place on or before the Completion Date subject to the satisfaction of all the conditions precedent in full. Upon Completion, Million Good will become a wholly-owned subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company. The financial results of Million Good will be consolidated in the financial results of the Company.

INFORMATION ON THE COMPANY AND THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in property investment and development, provision of loan financing and leasing of car parking spaces, short message services and trading of communication products.

INFORMATION ON MILLION GOOD

Million Good is a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, Million Good is held by Mr. Choi as to 1% and Ms. Cheung as to 99%. It is principally engaged in property investment. The only asset held by Million Good is the Million Good Property.

FINANCIAL INFORMATION ON MILLION GOOD

The followings are the financial information on Million Good for the period beginning from the date of incorporation to 31 March 2007 and the year ended 31 March 2008 (unaudited) which were extracted from Million Good's unaudited financial statements and management accounts which were prepared in accordance with the Hong Kong Financial Reporting Standards:

Million Good

	From the date of incorporation to 31 March 2007 (unaudited) (HK\$)	For the year ended 31 March 2008 (unaudited) (HK\$)
Turnover	0	0
Net loss before taxation and extraordinary items	Approximately 0.2 million	Approximately 1.6 million
Net loss after taxation and extraordinary items	Approximately 0.2 million	Approximately 1.6 million
Net Liabilities	Approximately 0.2 million	Approximately 1.9 million

As Million Good is an investment holding company and the only asset of which is the Million Good Property, Million Good has generated no revenue since its date of incorporation but incurred certain expenses (including interest expense incurred in relation to the bank loan and management fee and rates incurred in relation to the Million Good Property). As such, Million Good recorded net loss after taxation and extraordinary items of approximately HK\$0.2 million from its date of incorporation to 31 March 2007 and net loss of approximately HK\$1.6 million for the financial year ended 31 March 2008. Such increase in net loss in financial year 2008 was due to the fact that it was the first full financial year of Million Good.

INFORMATION ON MILLION GOOD PROPERTY

The Million Good Property is a residential property at House 26, Las Pinadas, 33 Shouson Hill Road, Hong Kong. The gross floor area of the Million Good Property is approximately 3,495 sq. ft. The Million Good Property is currently occupied by the Vendors for residential purpose.

Pursuant to the Acquisition Agreement, upon Completion, Million Good as landlord will enter into a tenancy agreement with the Vendors as tenants in respect of leasing of the Million Good Property. The tenancy agreement will be for a term of 2 years commencing from the Completion Date and the monthly rent will be HK\$130,000. The monthly rent of HK\$130,000 is determined with reference to the prevailing market rent of those properties at similar location and size. The Directors (including the independent non-executive Directors) are of the view that the terms of the tenancy agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and Shareholders as a whole.

The book value of the Million Good Property as recorded in Million Good's unaudited consolidated accounts as at 31 March 2007 and 31 March 2008 were approximately HK\$39.0 million and HK\$39.0 million, respectively. The Million Good Property is held by Million Good as investment property for investment purpose.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In view of the economy in Hong Kong, the Board is optimistic that the property investment has a promising outlook and the Acquisition will bring to the Group significant increase in asset value. As such, the Acquisition provides a good opportunity for the Group to look for additional income sources.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition Agreement are on normal commercial terms, which are fair and reasonable and the entering into of the Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM. As the Vendors are Independent Third Parties and have no interest in the Shares and no Shareholder has a material interest in the Acquisition which is different from other Shareholders, no Shareholder is required to abstain from voting in respect of the proposed ordinary resolution to approve the Acquisition Agreement at the SGM.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 17 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 July 2008.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of Million Good Shares and Million Good Loan by the Purchaser from the Vendors pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 16 July 2008 and entered into among the Purchaser and the Vendors in respect of the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	means the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	HyComm Wireless Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition under the Acquisition Agreement
“Completion Date”	on or before 31 August 2008 or such other date as may be agreed in writing between the Purchaser and the Vendors
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendors pursuant to the Acquisition Agreement
“Consolidated Shares”	consolidated ordinary share(s) of HK\$0.005 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective

“Convertible Notes”	5% secured convertible notes due 2011 issued by the Company in a principal amount of HK\$150,000,000 as disclosed in the announcement of the Company dated 15 October 2007
“Directors”	the directors of the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Existing Shares”	existing ordinary share(s) of HK\$0.001 each in the issued and unissued share capital of the Company before the implementation of the Share Consolidation
“Group”	the Company and its subsidiaries
“Head & Shoulders”	Head & Shoulders Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Independent Third Party”	person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are not connected persons of the Company and are independent of the Company and its subsidiaries, their directors, chief executives and substantial shareholders or their respective associates (as that term is defined in the Listing Rules)
“Irrevocable Undertaking”	the irrevocable undertaking dated 16 July 2008 and given by Regal Power in favour of the Company and Head & Shoulders, further details of which are set out in the paragraph headed “Irrevocable Undertakings of Regal Power and Holders of Convertible Notes” in the section headed “Proposed Open Offer” in this announcement
“Last Trading Date”	16 July 2008, being the last trading date of the Existing Shares prior to the release of this announcement

“Latest Lodging Date”	4:30 p.m. on Friday, 22 August 2008 as the latest time for lodging transfers of Shares in order to qualify for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 11 September 2008 or such later time or date as may be agreed between the Company and the Underwriters, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and Regal Power, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Yuen Ming, a legal and beneficial owner of the entire issued share capital of Regal Power
“Mr. Choi”	Mr. Choi Chiu Fai, Stanley, an Independent Third Party and beneficially owning approximately 29.7% of the issued share capital of Head & Shoulders
“Ms. Cheung”	Ms. Cheung Fung Kuen, Maggie, an Independent Third Party
“Million Good”	Million Good Group Limited, a company incorporated in the British Virgin Islands and owned by Mr. Choi as to 1% and Ms. Cheung as to 99%
“Million Good Loan”	means all amounts (whether principal, interest or otherwise) which Million Good owes to the Vendors as at the Completion Date, the amount of which as at 31 May 2008 was approximately HK\$12.0 million
“Million Good Property”	House 26, Las Pinadas, 33 Shouson Hill Road, Hong Kong
“Million Good Shares”	an aggregate of 100 ordinary shares of US\$1.0 each, representing the entire issued share capital of Million Good, to be sold by the Vendors to the Purchaser pursuant to the Acquisition Agreement
“Offer Share(s)”	not more than 416,063,901 Consolidated Shares proposed to be offered to the Qualifying Shareholders for subscription pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of open offer to the Qualifying Shareholders on the basis of one Offer Shares for every two Consolidated Shares held on the Record Date on the terms to be set out in the Prospectus Documents and summarized herein

“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	the Shareholders with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the application form in respect of the assured allotment of Offer Shares and the form of application for excess Offer Shares
“Prospectus Posting Date”	28 August 2008, being the day on which Prospectus Documents (in case of the Excluded Shareholders, the Prospectus and the Overseas Letter only) are despatched
“Purchaser”	Capital Up Holdings Limited, a direct wholly-owned subsidiary of the Company
“Qualifying Shareholders”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	26 August 2008, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar
“Regal Power”	Regal Power Investments Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by Mr. Chan
“SGM”	the special general meeting to be held by the Company to consider and, if though fit, approve the Share Consolidation and the Acquisition
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case maybe
“Shareholder(s)”	holder(s) of the Share(s)
“Share Consolidation”	the proposed consolidation of every five Existing Shares of HK\$0.001 each in the issued and unissued share capital of the Company into one Consolidated Share of HK\$0.005 each in the issued and unissued share capital of the Company

“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.1 per Offer Share
“Underwriters”	collectively, Regal Power and Head & Shoulders
“Underwriting Agreement”	the underwriting agreement dated 16 July 2008 entered into between the Company and the Underwriters in relation to the Open Offer
“Vendors”	collectively Mr. Choi and Ms. Cheung
“sq.ft.”	square feet
“%”	per cent.

By Order of the Board
HyComm Wireless Limited
Lai Yiu Keung
Chairman

Hong Kong, 22 July 2008

As at the date of this announcement, the executive Directors are Mr. Lai Yiu Keung, Mr. Liu Shun Chuen, and Mr. Yeung Sau Chung and the independent non-executive Directors are Mr. Jacobsen William Keith, Mr. Wu Wang Li and Mr. Ng Wai Hung.