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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: 499)

(1) TERMINATION OF THE ACQUISITION AGREEMENT; AND (2) RESUMPTION OF TRADING

TERMINATION OF THE ACQUISITION AGREEMENT

The Company and Concord Ocean, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors on 28 October 2010 to acquire the entire issued share capital and the shareholders loan of the Target Companies. The completion of the Acquisition Agreement is conditional upon the fulfillment and waiver (where applicable) of the conditions precedent contained in the Acquisition Agreement. However, after entering into the Acquisition Agreement, it has come to the attention of the Vendors, Concord Ocean and the Company that certain conditions precedent will be unable to be fulfilled by the Long Stop Date and it is uncertain as to when such conditions precedent can be fulfilled as at the date of the Termination Agreement. Against this backdrop, the parties to the Acquisition Agreement entered into the Termination Agreement, pursuant to which the parties agreed that all rights, obligations and/or legal liabilities undertaken to other party(ies) shall be terminated and invalidated with immediate effect upon the entering into of the Termination Agreement and none of the parties shall have any right of recourse for any compensation and claims of whatever nature and/or to bring any legal actions or other proceedings against any other party(ies) under the Acquisition Agreement save and except for the provisions relating to confidentiality and costs and expenses.

The Board considers that the termination of the Acquisition Agreement has no material adverse impact on the existing business of the Group.

The Company and the Vendors are in further negotiation and try to conclude to a revised structure in respect of the acquisition of the entire interests in the BVI Company in accordance with the requirements of the Listing Rules if necessary.

* For identification purposes only

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 29 October 2010 pending the issue of an announcement relating to a proposed very substantial acquisition involving, among other things, issues of new shares and convertible bonds of the Company, which are price-sensitive in nature. An application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 21 December 2010.

Reference is made to the announcement of the Company dated 20 July 2010 with respect to Concord Ocean, a wholly-owned subsidiary of the Company, entering into the Letter of Intent with the Target Companies in relation to the proposed acquisition of the entire interests in the BVI Company which is in turn interested in the Coal Mines and the Coal Washing Plants in Shanxi Province of the PRC and the announcement of the Company dated 29 October 2010 with respect to the suspension of the trading of the Shares pending the issue of an announcement relating to a proposed very substantial acquisition involving, among others, the issue of new Shares and convertible bonds by the Company.

TERMINATION OF THE ACQUISITION AGREEMENT

The Company and Concord Ocean, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors on 28 October 2010 to acquire the entire issued share capital and the shareholders loan of the Target Companies. The Completion of the Acquisition Agreement is conditional upon the fulfillment and waiver (where applicable) of the conditions precedent contained in the Acquisition Agreement. However, after entering into the Acquisition Agreement, it has come to the attention of the Vendors, Concord Ocean and the Company that certain conditions precedent will be unable to be fulfilled by the Long Stop Date and it is uncertain as to when such conditions precedent can be fulfilled as at the date of the Termination Agreement. Against this backdrop, the parties to the Acquisition Agreement entered into the Termination Agreement, pursuant to which the parties agreed that all rights, obligations and/or legal liabilities undertaken to other party(ies) shall be terminated and invalidated with immediate effect upon the entering into of the Termination Agreement and none of the parties shall have any right of recourse for any compensation and claims of whatever nature and/or to bring any legal actions or other proceedings against any other party(ies) under the Acquisition Agreement save and except for the provisions relating to confidentiality and costs and expenses.

The Board considers that the termination of the Acquisition Agreement has no material adverse impact on the existing business of the Group.

The Company and the Vendors are in further negotiation and try to conclude to a revised structure in respect of the acquisition of the entire interests in the BVI Company in accordance with the requirements of the Listing Rules if necessary.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquisition Agreement”	the conditional sale and purchase agreement dated 28 October 2010 entered into among Concord Ocean, the Vendors and the Company in relation to the acquisition of the entire interests in the Target Companies
“Board”	the board of Directors
“BVI Company”	Hao Chang Limited (浩 昌 有 限 公 司), a company incorporated in the British Virgin Islands with limited liability
“Coal Mines”	the two coal mines in Shanxi Province of the PRC
“Coal Washing Plants”	the two coal washing plants in Shanxi Province of the PRC
“Company”	Hycomm Wireless Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 499)
“Concord Ocean”	Concord Ocean Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, being the purchaser to the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Letter of Intent”	the non-legally binding letter of intent (save for certain legally binding clauses, including the exclusivity as set out in the Company’s announcement dated 20 July 2010) dated 20 July 2010 entered into among Concord Ocean and the Target Companies in relation to the acquisition of interests in the Coal Mines and the Coal Washing Plants

“Long Stop Date”	31 March 2011 or such other date as agreed by the parties to the Acquisition Agreement in writing
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company 1 and Target Company 2
“Target Company 1”	Dihua Limited (帝華有限公司), a company incorporated in the British Virgin Islands with limited liability and holds 15% of the entire issued share capital of the BVI Company as at the date of the Acquisition Agreement
“Target Company 2”	Xin Source Investment Limited (鑫源投資有限公司), a company incorporated in the British Virgin Islands with limited liability and holds 85% of the entire issued share capital of the BVI Company as at the date of the Acquisition Agreement
“Termination Agreement”	the termination agreement dated 20 December 2010 in relation to the termination of the Acquisition Agreement
“Vendors”	the vendors of the Target Companies and are Independent Third Parties
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
HyComm Wireless Limited
Shi Jian Ping
Chairman

Hong Kong, 20 December 2010

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