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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)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF 100% EQUITY INTEREST IN  
ELECTRONICS TOMORROW PROPERTY HOLDINGS LIMITED**

**THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 25 September 2013 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares and assign the Shareholder's Loan to the Purchaser at a total cash consideration of HK\$68,500,000. Upon Completion, the Purchaser and the Vendor or its nominee will also enter into the Tenancy Agreement.

**GENERAL**

As the applicable percentage ratios calculated in accordance with the Listing Rules in relation to the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under chapter 14 of the Listing Rules.

**THE ACQUISITION**

The Board is pleased to announce that on 25 September 2013 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, and assign the Shareholder's Loan to the Purchaser at a total cash consideration of HK\$68,500,000.

\* for identification purpose only

## **The Sale and Purchase Agreement**

### *Date*

25 September 2013 (after trading hours)

### *Parties*

The Purchaser: Capital Up Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company

The Vendor: Electronics Tomorrow International Limited

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

## **Subject matter of the Acquisition**

The Sale Shares, representing the entire issued share capital of the Target Company and the Shareholder's Loan.

## **Consideration**

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration of HK\$68,500,000 shall be settled by the Purchaser to the Vendor by cash in the following manner:

- (i) HK\$6,850,000 has been paid as a refundable deposit (the "Deposit") upon signing of the Sale and Purchase Agreement; and
- (ii) the balance of the Consideration in the sum of HK\$61,650,000 will be paid on the date of Completion.

In the event the consolidated total net assets or the Shareholder's Loan of the Target Group appearing in the Closing Accounts shall be reduced by a sum exceeding HK\$300,000 as compared to the respective amount appearing in the consolidated management accounts of the Company as at 31 August 2013 (the "Reduced Sum"), the Consideration shall then be reduced by the respective amount of the Reduced Sum.

The Consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor and was determined with reference to, including but not limited to, the net asset value of the Target Group of approximately HK\$46.8 million as at 31 August 2013, the outstanding Shareholder's Loan amounted to approximately HK\$18.2 million as at 31 August 2013 and the market valuation of the Property, which is estimated to be approximately HK\$72.0 million as at 31 August 2013 as indicated by an independent qualified valuer. The Board is of the view that the Acquisition and the Consideration are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **Conditions precedent**

Completion is conditional upon the satisfaction of the following:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted under the Sale and Purchase Agreement;
- (b) all necessary waivers, consents and approvals required to be obtained on the part of the Vendor, the Purchaser and the Target Group in respect of the Sale and Purchase Agreement and the transaction contemplated thereby having been obtained;
- (c) all necessary consent and approvals required to be obtained on the part of the Company in relation to the Sale and Purchase Agreement and the transaction contemplated thereby under the Listing Rules (if any) having been obtained;
- (d) the Purchaser having obtained a valuation report at its own costs from a valuer of its own choice with the market valuation of the Property of not less than HK\$72,000,000;
- (e) the warranties contained in the Sale and Purchase Agreement remaining true and accurate in all material respects; and
- (f) the Vendor at its own cost procure Issegon to prove to the Purchaser that it has good and marketable title to the Property free from encumbrance in accordance with the relevant sections of the Conveyancing and Properties Ordinance.

If the above conditions have not been satisfied before 5:00 p.m. on the Long Stop Date or such later date as the Purchaser and the Vendor may agree in writing, the Vendor shall within five Business Days after the Long Stop Date return the Deposit to the Purchaser without any interest and thereafter the Sale and Purchase Agreement shall be terminated and the parties shall have no further obligations under the Sale and Purchase Agreement save as to any rights on any antecedent breaches of the terms thereof.

## **Completion**

Completion shall take place on the next Business Day following the day on which all the conditions precedent of the Sale and Purchase Agreement are satisfied in full, or such other date as the Purchaser and Vendor may agree in writing.

## **TENANCY AGREEMENT**

Issegon, a wholly-owned subsidiary of the Target Company (as landlord) and the Vendor or its nominee (as tenant) shall enter into the Tenancy Agreement upon the Completion, in which Issegon will agree to rent and the Vendor or its nominee will agree to lease the Property for a term of 3 years commencing from the date of the completion of the Acquisition.

Set out below are the major proposed terms of the Tenancy Agreement:

## **The Tenancy Agreement**

### **Parties**

The lessor: Issegon

The lessee: Electronics Tomorrow International Limited (i.e. the Vendor) or its nominee

### **Period of the Term**

Term of 3 years commencing from the date of Completion (the “Term”) and with an option exercised by the lessee to extend the tenancy for a further 3 years at the then market rent.

### **Rentals**

The rentals shall be the sum of HK\$163,000 per calendar month (exclusive of rates and management fees) payable in advance on the first day of each and every calendar month throughout the Term.

### **Rental Deposits**

The lessee shall pay to the lessor a rental deposit amounted to HK\$326,000 upon signing of the Tenancy Agreement. The rental deposit shall be retained by the lessor free of any interest to the lessee during the Term and may be applied for remedy for any breach of the terms of the Tenancy Agreement by the lessee.

## **INFORMATION ON THE TARGET GROUP**

### **Principal business activities of the Target Group**

The Target Company is an investment holding company and is interested in the entire issued share capital of Issegon, with the principal asset being the Property.

Issegon currently owned the Property, which is located at “Workshop Unit Nos. 3 to 7 on the 9th Floor, Car Parking Spaces No. L48 on Ground Floor and Car Parking Space No. P45 on Basement, Harbour Centre, Tower 1, No.1 Hok Cheung Street, Hung Hom, Kowloon”. The total gross floor area of the subject property (excluding the car parking spaces) is approximately 1,507.34 square meters.

The Property is currently occupied by certain fellow subsidiary of the Vendor as office and car parking uses. The market value of the Property as indicated by an independent qualified valuer was approximately HK\$72,000,000 as at 31 August 2013.

## Financial information of the Target Group

Based on the unaudited consolidated management accounts of the Target Group for the two years ended 31 December 2011 and 2012 which has been prepared in accordance with the Hong Kong Financial Reporting Standards, the following table sets out the financial information of the Target Group:

	Year ended 31 December	
	2011	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,260	1,260
Fair value gain on investment property	3,400	18,300
Profits before taxation	4,088	19,108
Profits after taxation	3,974	19,008

The unaudited total assets, total liabilities and net assets of the Target Group as at 31 August 2013 were amounted to approximately HK\$65.9 million, HK\$19.1 million and HK\$46.8million, respectively.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group was principally engaged in the businesses of leasing of investment properties, property investment, sub-leasing of car parking spaces and the provision of loan financing. It is the Group's strategy to seek investments from time to time so as to broaden its income stream. The Board therefore considers that the Acquisition represents a good opportunity for the Group to further expand its portfolio of the investment properties and enhance its profitability and shareholder returns.

After taking into consideration the above factors, the Board is of the opinion that the terms of the Acquisition has been made on normal commercial terms and that the Consideration and the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

## GENERAL

As the applicable percentage ratios calculated in accordance with the Listing Rules in relation to the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares and the Shareholder’s Loan by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays) on which banks in Hong Kong are generally open for business
“Closing Accounts”	the unaudited consolidated management accounts of the Company for the period from 1 January 2013 made up to the date immediately preceding to the Completion which shall be certified as true and accurate by a director of the Target Company
“Company”	HyComm Wireless Limited (stock code: 499), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Consideration”	the total consideration of the Acquisition of HK\$68,500,000 to be fully settled in cash
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third parties independent of the Company and connected persons of the Company as defined under the Listing Rules
“Issegon”	Issegon Company Limited, a company incorporated in Hong Kong, owning the Property and a wholly-owned subsidiary of the Target Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	25 November 2013 or such later date to be agreed among the Purchaser and the Vendor in writing

“Property”	Workshop Unit Nos. 3 to 7 on the 9th Floor, Car Parking Spaces No. L48 on Ground Floor and Car Parking Space No. P45 on Basement, Harbour Centre, Tower 1, No.1 Hok Cheung Street, Hung Hom, Kowloon
“Purchaser”	Capital Up Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 September 2013 and entered between the Purchaser as the purchaser and the Vendor as the vendor in relation to the Acquisition
“Sale Shares”	100 shares of US\$1.00 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shareholder’s Loan”	the shareholder’s loan due from the Target Company to the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Electronics Tomorrow Property Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and Issegon
“Tenancy Agreement”	the tenancy agreement to be entered into between Issegon and the Vendor or its nominee upon the Completion, regarding the leasing of the Property
“Vendor”	Electronics Tomorrow International Limited

By order of the Board  
**Mr. Liu Shun Chuen**  
*Chairman*

Hong Kong, 25 September 2013

*As at the date of this announcement, the Board comprises Mr. Liu Shun Chuen and Mr. Yeung Sau Chung as executive Directors; Mr. Kong Lingbiao as the non-executive Director; and Mr. Wu Wang Li, Mr. Ng Wai Hung and Mr. Jacobsen William Keith as independent non-executive Directors.*