

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **HyComm Wireless Limited**, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The logo for HyComm, featuring the word "HyComm" in a stylized, italicized font. The "H" and "C" are larger and more prominent, with the "y" and "om" following in a smaller, similar font style.

HYCOMM WIRELESS LIMITED

華脈無線通信有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00499)

**SHARE PREMIUM REDUCTION,
DISTRIBUTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting (the “SGM”) of HyComm Wireless Limited (the “Company”) to be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 August 2014 at 11:30 a.m. (Hong Kong time) or, if later, immediately after the annual general meeting of the Company to be held at 11:00 a.m. on the same day, is set out on pages 9 and 10 to this circular. A proxy form for use at the SGM and at any adjournment thereof is enclosed with this circular. Such proxy form is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.hycomm-wireless.com).

Whether or not you are able to attend such meeting, please complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof (as the case may be) should you so wish.

* *for identification purpose only*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
EXPECTED TIMETABLE	3
LETTER FROM THE BOARD	4
NOTICE OF SPECIAL GENERAL MEETING	9

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“bye-laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time
“Company”	HyComm Wireless Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 499)
“Companies Act”	the Companies Act 1981, as amended, of Bermuda
“Contributed Surplus Account”	the contributed surplus account of the Company
“Director(s)”	the director(s) of the Company for the time being
“Distribution”	the proposed distribution of up to HK\$69,898,735.20 of the amount standing to the credit of the Contributed Surplus Account, pro rata to the Qualifying Shareholders, being the special dividend referred to in the joint announcement dated 10 July 2014 issued by the Company and China Qingdao International (Holdings) Company Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Qualifying Shareholders”	Shareholders whose names appear on the Company’s share register or branch share register on the Record Date
“Record Date”	22 August 2014, being the record date for the purpose of ascertaining the entitlement of the shareholders to the Distribution

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 August 2014 at 11:30 a.m. (Hong Kong time) or, if later, immediately after the annual general meeting of the Company to be held at 11:00 a.m. on the same day, notice of which is set out on pages 9 and 10 of this circular, or any adjournment thereof
“Share(s)”	ordinary share(s) of par value HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the amount standing to the credit of the Share Premium Account by HK\$143,805,280.20
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Share Premium Reduction and the Distribution is set out below:

2014

Despatch of this circular and notice of the SGM	Friday, 25 July
Latest time for lodging forms of proxy for the SGM	11:30 a.m. on Saturday, 16 August
Date and time of the SGM (<i>Note 3</i>)	11:30 a.m. on Monday, 18 August or, if later, immediately after the annual general meeting of the Company held at 11:00 a.m. on the same day
Poll results announcement of the SGM	Monday, 18 August
Share Premium Reduction becoming effective	Monday, 18 August
Last day of trading in Shares cum-entitlement to the Distribution	Tuesday, 19 August
First day of trading in Shares ex-entitlement to the Distribution	Wednesday, 20 August
Latest time for lodging share transfer forms for registration to qualify for the entitlement to the Distribution	4:30 p.m. on Thursday, 21 August
Closure of register of members of the Company for determining the entitlement to the Distribution	Friday, 22 August to Tuesday, 26 August (both days inclusive)
Record Date for determining the entitlement to the Distribution	Friday, 22 August
Register of members of the Company re-opens	Wednesday, 27 August
Cheques for the Distribution to be dispatched	on or about Friday, 5 September

Notes:

- (1) All times refer to Hong Kong local time in this circular.
- (2) Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable (including the Record Date) will be published or notified to the Shareholders in compliance with the Listing Rules.
- (3) If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 12:00 noon on the date of the SGM, the SGM will be postponed. The Company will post an announcement on the respective websites of the Company (<http://www.hycmm-wireless.com>) and the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled SGM.



HYCOMM WIRELESS LIMITED

華脈無線通信有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00499)

Executive Directors:

Mr. Liu Shun Chuen

Mr. Yeung Sau Chung

Non-executive Director:

Mr. Kong Lingbiao

Independent non-executive Directors:

Mr. Wu Wang Li

Mr. Ng Wai Hung

Mr. Jacobsen William Keith

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Principal place of business
and head office:*

Unit 1406, 14/F.

The Broadway

54-62 Lockhart Road

Wanchai

Hong Kong

25 July 2014

To shareholders of the Company

Dear Sir or Madam,

**SHARE PREMIUM REDUCTION,
DISTRIBUTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 July 2014 in relation to the Share Premium Reduction and the Distribution.

The purpose of this circular is to provide you with, among other things, further information in relation to the Share Premium Reduction and the Distribution and to enable you to make a decision on whether to vote for or against the relevant resolution to be proposed at the SGM. A notice of the SGM is set out on pages 9 and 10 to this circular.

* for identification purpose only

LETTER FROM THE BOARD

1. SHARE PREMIUM REDUCTION

The Board intends to put forward for approval by the Shareholders at the SGM a proposal to reduce the credit standing to the Share Premium Account pursuant to Section 46 of the Companies Act and Bye-law 6 of the bye-laws of the Company. As at 31 March 2014, based on the audited financial statements of the Company, the audited amount of the Share Premium Account was HK\$143,805,280.20.

It is proposed that:

- (i) the amount standing to the credit of the Share Premium Account be reduced by HK\$143,805,280.20;
- (ii) the amount arising from the Share Premium Reduction be transferred to the Contributed Surplus Account; and
- (iii) the Board, be authorised to make the Distribution.

Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon:

- (i) the passing of a special resolution approving the Share Premium Reduction by the Shareholders at the SGM; and
- (ii) compliance with Section 46(2) of the Companies Act including (a) the publication of a notice in relation to the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Share Premium Reduction is to take effect, and (b) the Board being satisfied that on the date the Share Premium Reduction is to take effect, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

The Share Premium Reduction is expected to become effective on 18 August 2014, subject to fulfillment of both of the conditions above. Further announcement regarding the Distribution, including the timing for the closure of the register of members of the Company for ascertaining the entitlement to the Distribution will be made as and when appropriate.

2. DISTRIBUTION

In view of the Board's recommendation on 22 July 2014 and subject to the approval by the Shareholders by way of poll, the Board proposes to make the Distribution to the Qualifying Shareholders.

Based on 499,276,680 Shares in issue as at the Latest Practicable Date and the Distribution of HK\$0.14 per Share, the total amount of the Distribution, if approved, will be HK\$69,898,735.20.

LETTER FROM THE BOARD

The Distribution will be made in HK\$ to the Qualifying Shareholders.

Subject to the fulfillment of the conditions set out in the paragraph headed “Conditions of the Distribution” below, the Distribution is intended to be paid out of the Contributed Surplus Account in accordance with the bye-laws of the Company and in accordance with the Companies Act.

Conditions of the Distribution

The Distribution is conditional upon the satisfaction of the following conditions:

- (a) the approval by the Shareholders by way of a resolution (which will be combined with the resolution to approve the Share Premium Reduction) at the SGM;
- (b) the Share Premium Reduction becoming unconditional and effective in accordance with its terms set out above.

The Distribution, if approved, will be distributed based on the information of the Qualifying Shareholders on the Record Date. Any Shareholder who is registered as a member of the Company in the register of members of the Company on the Record Date will be entitled to the Distribution. The Distribution, if approved, will be distributed to the Qualifying Shareholders in cash based on the address of such Qualifying Shareholders recorded in the register of members of the Company on the Record Date.

3. REASONS FOR THE SHARE PREMIUM REDUCTION AND THE DISTRIBUTION

The Board is proposing to effect the Share Premium Reduction to enable them to give effect to the Distribution. Under the laws of Bermuda, the Company shall not declare or pay a distribution to its Shareholders out of contributed surplus if there are reasonable grounds for believing that the Company is, or would after payment be, unable to pay its liabilities as they become due or the realisable value of the Company’s assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. The Board considers that the Share Premium Reduction will enable the Company to make the Distribution, which provides the Shareholders with an opportunity to realise their investment in the Company. The Share Premium Reduction and the transfer of the credit arising from the Share Premium Reduction to the Contributed Surplus Account will allow the Company to apply the credit so transferred to the Contributed Surplus Account to pay the Distribution. The Board therefore considers that the Share Premium Reduction and the Distribution are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

4. EFFECTS OF THE SHARE PREMIUM REDUCTION AND THE DISTRIBUTION

The Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company, nor does it involve any reduction in the nominal value of the Shares or trading arrangements concerning the Shares. The Board considers that the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole, other than related expenses incurred which are immaterial. There are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction and the Distribution would be, unable to pay its liabilities as they become due.

5. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR THE PAYMENT OF THE DISTRIBUTION AND THE EXPECTED PAYMENT DATE

The register of members of the Company will be closed from Friday, 22 August 2014 to Tuesday, 26 August 2014, both days inclusive, during which period no transfer of Shares will be registered.

In order to qualify for the Distribution, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 21 August 2014, for registration.

Subject to the Distribution becoming unconditional, the cheques for the Distribution are expected to be issued and despatched by ordinary posts to the Shareholders at their own risks on or about Friday, 5 September 2014.

6. SGM

The SGM will be held on Monday, 18 August 2014 at 11:30 a.m. or, if later, immediately after the annual general meeting of the Company to be held at 11:00 a.m. on the same day, at which a special resolution will be proposed for approval by the Shareholders of the Share Premium Reduction and the Distribution. The notice convening the SGM is set out on pages 9 and 10 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

No Shareholder is required to abstain from voting on the relevant resolution to approve the Share Premium Reduction and the Distribution at the SGM.

LETTER FROM THE BOARD

7. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the Chairman will demand a poll for all the resolutions put to vote at the SGM pursuant to Bye-law 66.

After the SGM, the poll results will be published on the respective websites of the Stock Exchange and the Company.

8. RECOMMENDATION

The Board believes that approving the Share Premium Reduction and the Distribution are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the relevant resolution to be proposed at the SGM.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board of
HyComm Wireless Limited
Liu Shun Chuen
Chairman and Executive Director

NOTICE OF SPECIAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



HYCOMM WIRELESS LIMITED

華脈無線通信有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00499)

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 18 AUGUST 2014

Dear Shareholders,

You are cordially invited to attend the special general meeting (the “SGM”) of shareholders of HyComm Wireless Limited (the “Company”) which will be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 August 2014 at 11:30 a.m. (Hong Kong time) or, if later, immediately after the annual general meeting of the Company to be held at 11:00 a.m. on the same day. The meeting is being held for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as a special resolution of the Company:

“THAT:

- (a) the reduction of the amount standing to the credit of the share premium account of the Company by HK\$143,805,280.20 (“**Share Premium Reduction**”) be and is hereby approved;
- (b) the transfer of the amount arising from the Share Premium Reduction to the contributed surplus account of the Company (the “**Contributed Surplus Account**”) be and is hereby approved;
- (c) the distribution of up to HK\$69,898,735.20 of the amount standing to the credit of the Contributed Surplus Account, pro rata to the shareholders of the Company, being the special dividend referred to in the joint announcement dated 10 July 2014 issued by the Company and China Qingdao International (Holdings) Company Limited, be and is hereby approved; and

* for identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

- (d) the directors and officers of the Company be and are hereby authorized to execute such documents and take such action as they deem appropriate for the foregoing purposes.”

Notes:

1. In order to identify shareholders who will be entitled to attend and vote at the meeting or any adjournment that may take place, all transfer forms accompanied by the relevant share certificates must have been lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30pm on Friday, 15 August 2014. Shareholders whose names appear on the register of members of the Company at the close of business on 15 August 2014 shall be entitled to attend and vote at the meeting or any adjournment that may take place.
2. A shareholder entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and vote in his/her/its place. A proxy need not be a shareholder of the Company.
3. Shareholders are requested to complete, date, sign and return the enclosed proxy form to reach the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as promptly as possible but not later than 48 hours prior to the SGM or adjourned meeting at which the proxy is to be used. The giving of such proxy will not affect your right to vote in person should you decide to attend the SGM or adjourned meeting.
4. In accordance with the Listing Rules, voting on the above resolution will be taken by poll.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the above meeting, the meeting will be postponed. The Company will post an announcement on its website (www.hycomm-wireless.com) and the Stock Exchange website (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

By Order of the Board
HyComm Wireless Limited
Liu Shun Chuen
Chairman and Executive Director

25 July 2014

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