



2014

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INTERIM REPORT  
中期報告

**HyComm**

**HyComm Wireless Limited**  
**華脈無線通信有限公司\***

(Incorporated in Bermuda with limited liability)  
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 499)

\*For identification purposes only 僅供識別

The Board of Directors (the “Board”) of HyComm Wireless Limited (the “Company”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2014 together with comparative figures for the previous corresponding period are as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2014</b>	2013
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Turnover	3	<b>3,985</b>	4,314
Revaluation loss on investment properties		–	(2,762)
Other revenue	4	<b>1,319</b>	819
Other losses, net	4	<b>(1,158)</b>	–
Operating costs		<b>(10,425)</b>	(5,748)
Loss from operations		<b>(6,279)</b>	(3,377)
Share of profit of joint ventures		<b>260</b>	470
Loss before taxation	5	<b>(6,019)</b>	(2,907)
Taxation	6	<b>(69)</b>	–
<b>Loss for the period</b>		<b>(6,088)</b>	(2,907)
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets:			
– changes in fair value during the period		<b>(290)</b>	(318)
– realisation of change in fair value on disposal		<b>1,158</b>	–
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>868</b>	(318)
<b>Total comprehensive loss for the period</b>		<b>(5,220)</b>	(3,225)

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2014</b>	2013
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
<b>(Loss)/profit for the period attributable to:</b>			
Equity holders of the Company		<b>(6,094)</b>	(2,944)
Non-controlling interests		<b>6</b>	37
<b>Loss for the period</b>		<b>(6,088)</b>	(2,907)
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
Equity holders of the Company		<b>(5,226)</b>	(3,262)
Non-controlling interests		<b>6</b>	37
<b>Total comprehensive loss for the period</b>		<b>(5,220)</b>	(3,225)
		<b>HK cents</b>	HK cents
<b>Loss per share</b>	8		
Basic		<b>(1.22)</b>	(0.59)
Diluted		<b>N/A</b>	N/A

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
	Notes	30 September 2014 HK\$'000 (unaudited)	31 March 2014 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment properties	9	81,600	81,600
Property, plant and equipment		9	11
Interest in joint ventures	10	28,928	28,668
Available-for-sale financial assets		–	1,811
		<b>110,537</b>	112,090
<b>Current assets</b>			
Trade and other receivables	11	590	9,539
Cash and cash equivalents		133,184	198,032
		<b>133,774</b>	207,571
<b>Current liabilities</b>			
Other payables and accrued charges	12	732	1,032
Income tax payable		49	10
		<b>781</b>	1,042
<b>Net current assets</b>		<b>132,993</b>	206,529
<b>Total assets less current liabilities</b>		<b>243,530</b>	318,619
<b>Non-current liabilities</b>			
Deferred tax liabilities		891	861
<b>NET ASSETS</b>		<b>242,639</b>	317,758
<b>CAPITAL AND RESERVES</b>			
Share capital	13	49,928	49,928
Reserves		192,509	267,634
Total equity attributable to equity holders of the Company		<b>242,437</b>	317,562
Non-controlling interests		202	196
<b>TOTAL EQUITY</b>		<b>242,639</b>	317,758

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014 (unaudited)

	Attributable to equity holders of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Surplus account HK\$'000	Fair value reserve HK\$'000	Accumulated losses HK\$'000		
At 1 April 2014	49,928	143,807	255,025	(868)	(130,330)	196	317,758
Transfer to surplus account*	-	(143,807)	143,807	-	-	-	-
Special dividend declared	-	-	(69,899)	-	-	-	(69,899)
Total comprehensive income/ (loss) for the period	-	-	-	868	(6,094)	6	(5,220)
At 30 September 2014	49,928	-	328,933	-	(136,424)	202	242,639

For the six months ended 30 September 2013 (unaudited)

	Attributable to equity holders of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Surplus account HK\$'000	Fair value reserve HK\$'000	Accumulated losses HK\$'000		
At 1 April 2013	49,928	143,807	255,025	(6,708)	(131,043)	144	311,153
Total comprehensive income/ (loss) for the period	-	-	-	(318)	(2,944)	37	(3,225)
At 30 September 2013	49,928	143,807	255,025	(7,026)	(133,987)	181	307,928

\* Pursuant to a resolution passed at the special general meeting of the Company held on 18 August 2014, an amount of approximately HK\$69,899,000 was transferred from the share premium account to the surplus account.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Net cash generated from/(used in) operations	<b>2,122</b>	(9,454)
Net cash generated from/(used in) investing activities	<b>2,929</b>	(8,106)
Net cash used in financing activities	<b>(69,899)</b>	–
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(64,848)</b>	(17,560)
Cash and cash equivalents at beginning of period	<b>198,032</b>	141,671
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>133,184</b>	124,111
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<b>133,184</b>	124,111

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2014

## 1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 September 2014 are unaudited but have been reviewed by the audit committee of the Company (the "Audit Committee").

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2014 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2014 except as stated in note 2 below.

## 2 Adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2014, as described in those annual financial statements.

HKFRIC Int 21	Levies
Amendments to HKAS 32	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities

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

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

### 3 Segment information

The Group comprises the following main reportable segments:

- (i) Leasing of properties;
- (ii) Property investments;
- (iii) Carpark management; and
- (iv) Loan financing.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 March 2014.

The Group's turnover and results therefrom for the period by operating segment is analysed as follows:

	Turnover six months ended 30 September		Reportable segment profit/(loss) six months ended 30 September	
	2014	2013	2014	2013
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Leasing of properties	996	98	410	(133)
Property investments	–	–	260	470
Carpark management	2,854	3,355	(97)	385
Loan financing	135	861	130	851
	<b>3,985</b>	4,314	<b>703</b>	1,573
Unallocated other revenue			1,319	819
Revaluation loss on investment properties			–	(2,762)
Unallocated corporate expenses			(8,110)	(2,537)
Loss for the period			<b>(6,088)</b>	(2,907)

During the period, the Group has been operating principally in Hong Kong.



#### 4 Other revenue and other losses, net

	<b>Six months ended 30 September</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Other revenue</b>		
Bank interest income	1,091	634
Other interest income	228	185
	<b>1,319</b>	819
<b>Other losses, net</b>		
Available-for-sale securities: realisation of change in fair value on disposal	<b>(1,158)</b>	–

#### 5 Loss before taxation

	<b>Six months ended 30 September</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Loss before taxation is arrived at after charging:		
(a) Staff cost		
Salaries, bonus and awards (including directors' emoluments)	3,130	1,815
Contributions to defined contribution plan	146	80
	<b>3,276</b>	1,895
(b) Other items		
Operating lease charges in respect of rented premises	<b>2,310</b>	2,298
and after crediting:		
Rental income, net of outgoings	<b>987</b>	85

#### 6 Taxation

	<b>Six months ended 30 September</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Current tax — Hong Kong Profits Tax		
Provision for the period	39	–
Deferred tax		
Current period	30	–
	<b>69</b>	–

The provision of Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period. No provision for Hong Kong profits tax for the six months ended 30 September 2013 as the Group did not generate any assessable profits arising in Hong Kong during the period.

## 7 Dividends

A special dividend of HK\$0.14 per ordinary share was approved at special general meeting of the Company held on 18 August 2014.

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2014 (2013: nil).

## 8 Loss per share

The calculation of basic loss per share for the six months ended 30 September 2014 is based on the loss attributable to owners of the Company of approximately HK\$6,094,000 (2013: HK\$2,944,000) divided by weighed average number of 499,276,680 shares (2013: 499,276,680 shares).

No diluted loss per share is presented for the six months ended 30 September 2014 and 30 September 2013 as the Company did not have any dilutive potential ordinary shares.

## 9 Investment properties

	HK\$'000
<b>Fair value</b>	
At 1 April 2013 (audited)	126,100
Disposal during the year	(118,800)
Acquisition of subsidiaries	68,587
Fair value adjustments	5,713
	<hr/>
At 31 March 2014, 1 April 2014 (audited) and 30 September 2014 (unaudited)	<hr/> 81,600 <hr/>

## 10 Interest in joint ventures

	30 September 2014 HK\$'000 (unaudited)	31 March 2014 HK\$'000 (audited)
Unlisted shares, at cost	–	–
Share of net assets	28,928	28,668
	<hr/> 28,928 <hr/>	<hr/> 28,668 <hr/>

Summary financial information on joint ventures — Group effective interest:

	<b>30 September 2014 HK\$'000 (unaudited)</b>	31 March 2014 HK\$'000 (audited)
Non-current assets	<b>25,250</b>	25,250
Current assets	<b>807</b>	698
Non-current liabilities	<b>(26,040)</b>	(26,230)
Current liabilities	<b>(446)</b>	(407)
Net liabilities	<b>(429)</b>	(689)

  

	<b>Six months ended 30 September 2014 HK\$'000 (unaudited)</b>	2013 HK\$'000 (unaudited)
Income	<b>519</b>	1,038
Expenses	<b>(259)</b>	(568)
	<b>260</b>	470

## 11 Trade and other receivables

	<b>As at 30 September 2014 HK\$'000 (unaudited)</b>	31 March 2014 HK\$'000 (audited)
Trade receivables (Note)	<b>226</b>	199
Loan receivables	<b>–</b>	7,820
Deposits and prepayments	<b>285</b>	876
Loan interest receivables	<b>79</b>	644
	<b>590</b>	9,539

Note:

The Group maintains defined credit policies. Rental receivables from tenants are payable on presentation of invoices. The aging analysis of trade receivables is as follows:

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2014</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
0–30 days	<b>226</b>	199

## 12 Other payables and accrued charges

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2014</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
Accrued charges	<b>360</b>	705
Other payables	<b>46</b>	1
Deposits received	<b>326</b>	326
	<b>732</b>	1,032

## 13 Share capital

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2014</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
<b>Authorised:</b>		
20,000,000,000 ordinary shares of HK\$0.1 each (31 March 2014: 20,000,000,000 ordinary shares of HK\$0.1 each)	<b>2,000,000</b>	2,000,000
<b>Issued and fully paid:</b>		
499,276,680 ordinary shares of HK\$0.1 each (31 March 2014: 499,276,680 ordinary shares of HK\$0.1 each)	<b>49,928</b>	49,928

## 14 Financial risk management

Exposure to credit, liquidity, interest rate and equity price risk arises in the normal course of the Group's business.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2014.

There have been no changes in the risk management policies since year end.

(a) *Credit risk*

The maximum exposure to credit risk, without taking account of any collateral held, is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowances.

(b) *Liquidity risk*

Compared to year end, there was no material change in the contractual undiscounted cash flow for financial liabilities.

(c) *Interest rate risk*

The Group's interest rate risk arises primarily from bank deposits. These deposits bear interest at variable rates expose the Group to cash flow interest rate risk. Compared to year end, there was no material changes in the Group's interest rate profile.

(d) *Equity price risk*

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale financial assets.

(e) *Fair values*

There were no transfers between levels of the fair value hierarchy used in measuring fair value of financial instruments during the six months ended 30 September 2014.

During the six months ended 30 September 2014, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

During the six months ended 30 September 2014, there were no reclassification of financial assets.

## 15 Related party transactions

The Group entered into the following transactions with related parties during the six months ended 30 September 2014:

	<b>Six months ended 30 September</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Interest income received from:		
Citi Charm Limited	<b>111</b>	112
Riccini Investments Limited	<b>117</b>	78

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

## **INTERIM DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2014 (2013: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

During the six months ended 30 September 2014, the Group was principally engaged in the business of leasing of investment properties, property investment, provision of loan financing and leasing of car parking spaces.

### **Business prospect and review**

For the six months ended 30 September 2014, the Group recorded a turnover of HK\$3,985,000 (2013: HK\$4,314,000), which was represented by the rental income of HK\$996,000, leasing of car parking spaces of HK\$2,854,000 and provision of loan financing of HK\$135,000. The Group recorded a loss attributable to owners of the Company of HK\$6,094,000 as compared with HK\$2,944,000 recorded for the last corresponding period in 2013.

Apart from new and potential investments, the Group will continue its existing businesses of leasing of properties, property investments, carpark management and loan financing which provide a stable income stream to the Group.

Meanwhile the Group will continue to seek and to evaluate other business opportunities and investment strategy so as to review and to diversify its investment portfolio for strengthening and broadening its income base and generating greater value to the shareholders of the Company (the "Shareholders"). The Directors are optimistic about the future business development of the Group and will continue to implement well-established strategies to enhance the Company's value and to bring outstanding return to the Shareholders.

### **Liquidity and financial review**

The Group has bank and cash balance (including time deposits) of approximately HK\$133,184,000 as at 30 September 2014 (31 March 2014: HK\$198,032,000).

The Group's gearing level (total debts to total assets) was 0.3% (31 March 2014: 0.3%) as at 30 September 2014. With bank and cash and other current assets, the Group has sufficient financial resources to satisfy its financial commitments and working capital requirements.

### **Contingent liabilities and capital commitments**

As at 30 September 2014, the Group did not have any material contingent liabilities and capital commitments.

### **Employees**

As at 30 September 2014, the Group had 11 staff. In addition to the basic salary, employees are rewarded with performance-related bonuses, other staff welfare and also a share options scheme will be made available to certain staff of the Group at the discretion of the Board.

## **DIRECTORS' INTERESTS IN SHARES**

None of the Directors, the chief executive of the Company and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules on the Stock Exchange.

## **SHARE OPTIONS**

At the annual general meeting of the Company held on 22 August 2013, the Shareholders approved the share option scheme (the "Share Option Scheme"), which was adopted on 27 August 2013.

The primary purpose of the Share Option Scheme is to provide incentives to directors and eligible employees and it remains in force for a period of 10 years commencing on 27 August 2013. Under the Share Option Scheme, the directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants to take up options to subscribe for shares in the Company:

- (i) any director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate");
- (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; and
- (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. The number of shares in respect of which share options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. Share options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 in any 12-month period up to and including the date of grant must be approved in advance by the Company's shareholders.

Share options granted must be taken up within 14 days of the date of grant, upon payment of HK\$1 per option. Share options may be exercised at any time from the date of offer of the share options to a date to be determined and notified by the directors or, in the absence of such determination, the earlier of the date on which the share options lapse or the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant, and the nominal value of the Company's shares.

There were no outstanding share options granted under the Share Option Scheme since its adoption and at the end of the period. In addition, there were no share options granted to, or outstanding in respect of the old share option scheme as at the date of this report.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

As at 30 September 2014, none of the Directors had any personal interests in share options to subscribe for shares in the Company granted under the Share Option Scheme of the Company.

No share options were granted to, or exercised by, any Directors during the period.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the Directors, or their spouses or children under the age of 18 had any rights to subscribe for securities of the Company or had exercised any such rights during the period.

## **UNCONDITIONAL MANDATORY CASH OFFER**

On July 2014, China Qingdao International (Holdings) Company Limited ("CQIH") and the Company jointly announced that CQIH entered into a share purchase agreement (the "Agreement") with sellers to purchase an aggregate of 284,500,000 shares of the Company, representing approximately 56.98% of the total issued shares of the Company as at the date of the joint announcement, i.e. 10 July 2014, for a total cash consideration of HK\$428,741,500 (equivalent to HK\$1.507 per share). Completion of the Agreement took place on 27 August 2014. Pursuant to Rule 26.1 of the Takeovers Code, CQIH required to make a mandatory unconditional cash offer to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by CQIH and parties acting in concert with it) at an offer price of HK\$1.507 per offer share (the "Offer").

The Offer was closed on 23 September 2014.



## SUBSTANTIAL SHAREHOLDERS

In addition to the interests of Directors under the heading "Directors' Interests in Shares" above, the substantial shareholders' register maintained by the Company pursuant to section 336 of Part XV of the SFO discloses that the following Shareholders had an interest representing 5% or more of the issued share capital of the Company as at 30 September 2014:

### Long Positions

Name	Capacity	Numbers of shares held	Approximately percentage of the Company's issued share capital
青島城市建設投資(集團) 有限責任公司 (Qingdao City Construction Investment (Group) Limited*) ("QCCIG")	Interest of a controlled corporation (Note)	344,621,633	69.02%
China Qingdao Development Company Limited ("CQDC")	Interest of a controlled corporation (Note)	344,621,633	69.02%
China Qingdao Development (Holdings) Group Company Limited ("CQDHG")	Interest of a controlled corporation (Note)	344,621,633	69.02%
China Qingdao International (Holdings) Company Limited	Beneficial owner (Note)	344,621,633	69.02%

Note: These 344,621,633 shares held by CQIH, which is wholly-owned by CQDHG. CQDHG is wholly-owned by CQDC, which is wholly owned by QCCIG. By virtue of the SFO, QCCIG, CQDC and CQDHG are deemed to be interested in the shares held by CQIH.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more of the issued share capital of the Company as at 30 September 2014.

## CORPORATE GOVERNANCE

The Board is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes efforts to identifying and formalising best practices. The Company has applied the principles and the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules, except for the deviations set out below.

Code provision A.4.1 of the CG Code stipulated that non-executive directors should be appointed for specific terms, subject to re-election. During the period from 1 April 2014 to 27 September 2014 (the date of resignation), Mr. Kong Lingbiao being a non-executive Director, and Mr. Ng Wai Hung and Mr. Jacobsen William Keith being the independent non-executive Directors, were not appointed for specific terms. During the period, Mr. Wu Wang Li being an independent non-executive Director, was not appointed for a specific term. According to the Company's bye-laws, at every annual general meeting, one-third of the Directors for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The Board considers that sufficient measures will be taken to ensure the corporate governance practices of the Company are not less exacting than those in the CG Code.

Code provision A.6.7 of the CG Code stipulated that the independent non-executive directors and other non-executive directors should attend general meetings. Mr. Kong Lingbiao, a non-executive Director, and Mr. Ng Wai Hung and Mr. Jacobsen William Keith, the independent non-executive Directors, were unable to attend the annual general meeting and the special general meeting of the Company held on 18 August 2014 due to their other important engagements.

To ensure compliance with the CG Code in the future, the Company will arrange to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule that all Directors (including the Chairman of the Company) can attend the general meetings.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the CG Code as and when considered appropriate.

## **PROPOSED CHANGE OF COMPANY NAME**

The Board proposed to change the English name of the Company from "HyComm Wireless Limited" to "Qingdao Holdings International Limited" and adopt "青島控股國際有限公司" as the Chinese name of the Company to replace "華脈無線通信有限公司" for identification purposes only (the "Change of Company Name"). For details please refer to the announcement and the circular of the Company dated 17 October 2014 and 24 October 2014 respectively.

A special resolution relating to the Change of Company Name was approved by Shareholders at the special general meeting of the Company held on 17 November 2014 and was registered with the Registrar of Companies in Bermuda on 17 November 2014. The Company is carrying out the necessary filing procedures of the Change of Company Name in Hong Kong.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for Directors' securities transactions. Having made specific enquiries of all Directors of the Company, they have confirmed that they complied with the required standards set out in the Model Code throughout the period under review.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

There were no purchases, sales or redemptions of shares or other securities of the Company by the Company or its subsidiaries during the six months ended 30 September 2014.

## AUDIT COMMITTEE

The Audit Committee comprises five independent non-executive Directors and reports to the Board. The primary duties of the Audit Committee are to review and advise on the accounting principles and practices adopted by the Group, the auditing and financial reporting processes and the internal control systems of the Group, including a review of the results for the period ended 30 September 2014. The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and the interim and annual reports of the Group.

## CHANGES IN DIRECTORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors and chief executive are as follow:

<b>Name of Directors</b>	<b>Details of changes</b>
Mr. Zhang Zhenan	Appointed as the chairman and an executive Director of the Company on 10 September 2014 and appointed as the chairman of the nomination committee (the "Nomination Committee") of the Company on 27 September 2014.
Mr. Xing Luzheng	Appointed as the vice-chairman and an executive Director of the Company on 10 September 2014.
Mr. Zhang Lianqing	Appointed as the chief executive officer and an executive Director of the Company on 10 September 2014.
Mr. Jiang Yi	Appointed as a non-executive Director on 27 September 2014.

**Name of Directors****Details of changes**

Mr. Yin Tek Shing, Paul	Appointed as an independent non-executive Director, and a member of the Nomination Committee, the remuneration committee (the "Remuneration Committee") and the Audit Committee of the Company on 27 September 2014.
Mr. Wong Tin Kit	Appointed as an independent non-executive Director, the chairman of the Remuneration Committee, and a member of the Nomination Committee and the Audit Committee on 27 September 2014.
Ms. Zhao Meiran	Appointed as an independent non-executive Director, and a member of the Nomination Committee, the Remuneration Committee and the Audit Committee on 27 September 2014.
Mr. Li Xue	Appointed as an independent non-executive Director, and a member of the Nomination Committee, the Remuneration Committee and the Audit Committee on 27 September 2014, and appointed as the chairman of Audit Committee on 20 November 2014.
Mr. Liu Shun Chuen	Ceased to act as the chairman of the Company on 10 September 2014, and resigned as an executive Director and chairman of the Nomination Committee on 27 September 2014.
Mr. Yeung Sau Chung	Resigned as an executive Director and the managing director of the Company on 20 November 2014.
Mr. Kong Lingbiao	Resigned as a non-executive Director on 27 September 2014.
Mr. Wu Wang Li	Ceased to act as a member of the Nomination Committee and the Remuneration Committee on 27 September 2014, and resigned as an independent non-executive Director and the chairman of the Audit Committee on 20 November 2014.

**Name of Directors****Details of changes**

Mr. Ng Wai Hung

Resigned as an independent non-executive Director, the chairman of the Remuneration Committee, and a member of the Nomination Committee and the Audit Committee on 27 September 2014.

Mr. Jacobsen William Keith

Resigned as an independent non-executive Director, and a member of the Nomination Committee, the Remuneration Committee and the Audit Committee on 27 September 2014.

By Order of the Board  
**HyComm Wireless Limited**  
**Yeung Sau Chung**  
*Executive Director*

Hong Kong, 20 November 2014

As at the date of this report, the executive Directors are Mr. Zhang Zhenan (Chairman), Mr. Xing Luzheng, Mr. Zhang Lianqing (Chief Executive Officer) and Mr. Yeung Sau Chung (Managing Director); the non-executive Director is Mr. Jiang Yi; and the independent non-executive Directors are Mr. Wu Wang Li, Mr. Yin Tek Shing, Paul, Mr. Wong Tin Kit, Ms. Zhao Meiran and Mr. Li Xue.

*HyComm*

HyComm Wireless Limited  
華脈無線通信有限公司\*