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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

ANNOUNCEMENT

FRAMEWORK AGREEMENT IN RELATION TO THE ACQUISITION OF GOLD MINING AND SMELTING BUSINESSES IN THE PRC

The Board is pleased to announce that after trading hours of 5 October 2009, Global Force (a wholly-owned subsidiary of the Company) entered into a Framework Agreement with the Vendor pursuant to which the Vendor proposes to sell the entire issued share capital and all shareholders' loans of the Target Company to Global Force at a total consideration of not exceeding HK\$1,300,000,000, which is currently expected to be satisfied by cash and the issue of consideration shares and convertible bonds by the Company.

If the Framework Agreement proceeds to signing of a formal sale and purchase agreement, the consideration for the Proposed Acquisition may exceed 100% of the total assets of the Group. Accordingly, the Proposed Acquisition may constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to shareholders' approval at a special general meeting of the Company. Further announcement will be made by the Company as to the progress of the Proposed Acquisition.

Shareholders and potential investors of the Shares should note that the Proposed Acquisition may or may not materialize. Shareholders and investors should exercise caution in dealing with the securities of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

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To the best knowledge of the Directors after making all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

The Target Company is a company incorporated in the British Virgin Islands with limited liability. According to the information provided by the Vendor:

- (a) A wholly-owned subsidiary of the Target Company, Marigold Time, is in the process of acquiring 70% equity interest in China Gold from a seller (who to the best knowledge of the Directors after making all reasonable enquiries is a third party independent of the Company and its connected persons). China Gold's only asset is 50.05% equity interest in Guoda Gold, which is principally engaged in gold smelting business in Shandong Province, the PRC; and
- (b) The Target Company (through its 61% owned subsidiary) holds mining permits covering a total area of approximately 5.09 sq.km. and exploration permits covering a total area of approximately 69.69 sq.km., all of which are situated in Guizhou Province, the PRC (the **"Guizhou Mines"**).

The actual proportions of cash, consideration shares and convertible bonds, the issue price of the consideration shares and the conversion price of the convertible bonds have yet to be finalized. However, the aggregate shareholding of the Vendor and parties acting in concert to it shall not exceed 29.9% of the issued share capital of the Company from time to time, taking into account their existing shareholding in the Company (if any), the consideration shares and the shares issued upon the conversion of the convertible bonds.

Under the Framework Agreement, it was proposed that the Vendor shall provide the following guarantee to Global Force as to the net profits of the Target Company: (a) not less than HK\$150,000,000 during the financial year ending 31 March 2011; (b) not less than HK\$250,000,000 during the financial year ending 31 March 2012; and (c) not less than HK\$350,000,000 during the financial year ending 31 March 2013.

If the Framework Agreement proceeds to signing of a formal sale and purchase agreement, it is currently expected that completion of the Acquisition Agreement will be conditional upon, amongst other things:

- (a) due diligence review on the Target Company having been completed to the satisfaction of Global Force;
- (b) the obtaining of a technical report on the Guizhou Mines to be prepared by independent qualified mineral technical adviser appointed by Global Force;
- (c) the obtaining of a valuation report (in form and substance satisfactory to Global Force) from a valuer acceptable to Global Force and showing the aggregate fair value of the Target Company to be not less than HK\$1,500,000,000; and
- (d) the Company having obtained all necessary approvals in connection with the Proposed Acquisition including the approval of the shareholders of the Company and/or the Stock Exchange.

The terms of the Proposed Acquisition is subject to further negotiation and the signing of a formal sale and purchase agreement within 14 days after the date of the Framework Agreement (or such longer period as extended by mutual agreement between the parties) (the “**Exclusivity Period**”). The Vendor has agreed not to negotiate with any other potential buyers in relation to the subject matter of the Framework Agreement during the Exclusivity Period. Save and except the clauses regarding exclusivity, due diligence, costs and expenses, and governing law and jurisdiction which are legally binding, all other provisions of the Framework Agreement are non-legally binding.

If the Framework Agreement proceeds to signing of a formal sale and purchase agreement, the consideration for the Proposed Acquisition may exceed 100% of the total assets of the Group. Accordingly, the Proposed Acquisition may constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to shareholders’ approval at a special general meeting of the Company. Further announcement will be made by the Company as to the progress of the Proposed Acquisition.

Shareholders and potential investors of the Shares should note that the Proposed Acquisition may or may not materialize. Shareholders and investors should exercise caution in dealing with the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“China Gold”	China Gold Development Group (H.K.) Limited, a company incorporated in Hong Kong with limited liability
“Company”	ABC Communications (Holdings) Limited, a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Framework Agreement”	a framework agreement entered into between Global Force and the Vendor on 2 October 2009 in relation to the Proposed Acquisition
“Global Force”	Global Force Holdings Limited, a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Guoda Gold”	山東國大黃金股份有限公司 (Shangdong Guoda Gold Company Limited), a joint stock limited liability company established in the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Marigold Time”	Marigold Time International Limited, a company incorporated in the British Virgin Islands with limited liability
“parties acting in concert”	has the meaning ascribed to it under the Hong Kong Code on Takeovers and Mergers
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by the Company from the Vendor, subject to the signing of a formal sale and purchase agreement
“Shareholders”	holders of the Shares
“Shares”	share(s) of HK\$0.01 each in the share capital of the Company
“sq.km.”	square kilometers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Gold Vast Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Mr. Chen Xi Rong, a third party independent of the Company and its connected persons

By order of the board of
ABC Communications (Holdings) Limited
Chen Jiasong
Deputy Chairman

Hong Kong, 5 October 2009

As at the date of this announcement, the Board comprises Dr. Lew Mon Hung, Mr. Chen Jiasong, Mr. Wong Zhi Gang and Mr. Cheung Wai Shing as executive Directors and Mr. Tsang Kwok Wai, Mr. Lee Kwong Yiu and Mr. Zhang Guang Hui as independent non-executive Directors.