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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANY

The Board wishes to announce that after trading hours on 28 March 2011, the Company, Mr. Liu and Wide Soar entered into the Acquisition Agreement pursuant to which the Company will acquire 60% of the issued share capital and shareholders' loans of the Target Company for a total consideration of HK\$100,000,000, of which HK\$39,000,000 will be payable in cash, HK\$21,000,000 will be satisfied by the issue of the Convertible Bond and HK\$40,000,000 will be satisfied by the issue of the Promissory Note.

The relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Acquisition are more than 5% but less than 25%. Accordingly, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules.

Shareholders and potential investors of the Shares should note that the Proposed Acquisition is subject to the fulfillment or waiver of conditions precedent and may or may not proceed to Completion. Shareholders and investors should exercise caution in dealing with the securities of the Company.

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ACQUISITION AGREEMENT

Date

28 March 2011

Parties

- (1) The Company
- (2) Mr. Liu
- (3) Wide Soar

Wide Soar is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The entire issued share capital of Wide Soar is owned by Mr. Wong Chun Chung.

To the best knowledge of the Directors after making all reasonable enquiries, each of Mr. Liu, Wide Soar and Mr. Wong Chun Chung is a third party independent of the Company and its connected persons, and none of them is a party acting in concert with any substantial shareholder of the Company.

Subject matter

Pursuant to the Acquisition Agreement, the Company will acquire (a) 30% of the issued share capital and shareholders' loans as at Completion of the Target Company from Mr. Liu; and (b) 30% of the issued share capital and shareholders' loans as at Completion of the Target Company from Wide Soar.

The shareholding structure of the Target Group is set out in the section headed "Shareholding Charts" in this announcement. The principal assets of the Target Group are (a) Target Subsidiary C, which owns and operates the mining permit Mine No. 1 and holds the exploration permit of Mine No. 2; and (b) Target Subsidiary D which holds the exploration permit of Mine No. 3. The financial information of the Target Group is set out in the section headed "Financial Information of the Target Group" in this announcement.

Based on the management accounts of the Target Company, the shareholder's loans of the Target Company as at 15 March 2011 amounted to approximately HK\$698,279.

Consideration

The consideration payable by the Company to the Vendors for the Proposed Acquisition amounts to HK\$100,000,000, of which:

- (a) HK\$39,000,000 will be payable in cash on Completion;
- (b) HK\$21,000,000 will be satisfied by the issue of the Convertible Bond on Completion bearing conversion rights to convert its principal amount to Conversion Shares at the conversion price of HK\$0.70 per Conversion Share; and
- (c) HK\$40,000,000 will be satisfied by the issue of the Promissory Note.

Completion of the Acquisition Agreement is subject to the Company having sufficient working capital to finance the payment of cash consideration at Completion. Prior to Completion, the Company intends to look for additional funding by way of project financing from lenders or fund-raising from capital markets or a combination of both.

Basis of the consideration

The consideration for the Proposed Acquisition is arrived at after arm's length negotiations between the Company and the Vendors. The Company has taken into account the following factors in agreeing with the consideration for the Proposed Acquisition:

- (a) The mineral resources of Mine No.1 reported in the "Advanced Detailed Investigation Reports" (資源儲量詳查報告), "Reserves Verification Report" (儲量核查評審意見書) and "Feasibility Study on the Exploitation and Use of Resources" (資源開發和利用可行性研究報告) compiled by relevant recognized institutions in PRC, as provided by the Vendors and as summarized in the paragraph headed "Mine No.1" in the section headed "Details of the Mines" of this announcement;
- (b) Completion of the Proposed Acquisition is subject to the production of a valuation report showing the fair value of Mine No. 1 to be not less than HK\$200,000,000.
- (c) The high premium of the conversion price of the Convertible Bond compared with the net asset value per share of the Company. The conversion price of HK\$0.70 per Conversion Share upon conversion of the Convertible Bond represents a premium of approximately 6.36 times the unaudited net asset value of the Company as at 30 September 2010 in the approximate amount of HK\$0.11 per share, as disclosed in the Company's interim report 2010/2011.
- (d) The trend of gold price and prevailing market conditions.
- (e) The fact that Mine No. 1 is already in commercial scale of operation.

After considering the above factors, the Directors (including the independent non-executive Directors) consider the consideration of the Proposed Acquisition and the relevant payment terms to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Acquisition Agreement is conditional upon, amongst other things:

- (a) due diligence review on the Target Group having been completed to the satisfaction of the Company;
- (b) obtaining of satisfactory legal opinion confirming the ownership and legality of the assets and operations underlying the Target Group;
- (c) all filings necessitated by the signing and performance of the Acquisition Agreement having been carried out and all applicable laws and regulations having been fully complied with;
- (d) no events having occurred between signing of the Acquisition Agreement and Completion which may result in any material adverse effect on the Target Group;
- (e) the warranties given by the Vendor in respect of the Target Group being true, accurate and not misleading as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion;
- (f) the obtaining of a valuation report (in form and substance satisfactory to the Company) from a valuer appointed by the Company and showing the fair value of Mine No. 1 to be not less than HK\$200,000,000;
- (g) the Company having sufficient working capital to finance the payment of cash consideration at Completion;
- (h) where applicable, the obtaining of all approvals, confirmations, waivers or consents in respect of the Acquisition Agreement and all transactions contemplated thereunder from relevant authorities or other relevant third parties; and
- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares upon conversion of the Convertible Bond.

Conditions precedent (a) to (g) above can be waived at the absolute discretion of the Company. Conditions precedent (h) and (i) above cannot be waived in all circumstances.

The long stop date for the fulfillment or waiver of the conditions precedent is 29 April 2011 (or such later date as may be mutually agreed by the parties). Completion shall take place on the third business days after the last condition precedent is fulfilled or waived. If the conditions precedent are not fulfilled or waived on or before 29 April 2011 (unless the long stop date is extended by the parties as mentioned above), the Acquisition Agreement shall terminate and no party shall have any claim in relation thereto (without prejudice to the rights of any party in respect of antecedent breaches).

Conversion price of Convertible Bond

The conversion price of HK\$0.70 per Conversion Share upon conversion of the Convertible Bond represents:

- (a) a discount of approximately 10.26% over the closing price of HK\$0.78 per Share as quoted on the Stock Exchange on 25 March 2011, being the day immediately preceding the date of the Acquisition Agreement;
- (b) a discount of approximately 9.33% over the average closing prices of approximately HK\$0.7720 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 25 March 2011;
- (c) a discount of approximately 4.37% over the average closing prices of approximately HK\$0.7320 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 25 March 2011; and
- (d) a premium of approximately 6.36 times the unaudited net asset value of the Company as at 30 September 2010 in the approximate amount of HK\$0.11 per share, as disclosed in the Company's interim report 2010/2011.

Principal terms of the Convertible Bond

The principal terms of the Convertible Bond will be as follows:

Issuer	:	the Company
Principal amount	:	HK\$21,000,000
Issue price	:	100% of the principal amount
Interest	:	4% per annum
Date of issue	:	Date of Completion
Maturity date	:	1 year after the date of issue
Conversion period	:	From the date of issue to and including the maturity date.
Conversion price	:	HK\$0.70 per Conversion Share subject to adjustments in the event of share consolidation or sub-division, capitalization issue, distribution from capital, rights issue or open offer.
Minimum size of conversion	:	The Convertible Bond may be converted in multiples of HK\$1,000,000.
Ranking	:	The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all Shares in issue at the date of allotment and issue of such Conversion Shares.

Limitation on conversion	:	No conversion of the Convertible Bond shall be made if immediately upon such conversion, the holder of the Convertible Bond and parties acting in concert with him hold more than 29.9% (or any other voting right percentage which triggers a mandatory general offer obligation under Rule 26 of the Takeovers Code). Further, no conversion of the Convertible Bond shall be made if the conversion will result in less than 25% of the Shares being held by the public in compliance with the public float requirement under the Listing Rules.
Redemption	:	The Convertible Bond is not redeemable by the holders.
Transferability	:	The Convertible Bond may be transferred or assigned in whole or in part by the holders to any person or company not being a connected person of the Company, unless prior written consent is obtained from the Company.
Governing Law	:	The terms of the Convertible Bond is governed by and construed in accordance with the laws of Hong Kong.

Conversion Shares

No application will be made by the Company to the Listing Committee for the listing of the Convertible Bond. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares upon conversion of the Convertible Bond. The Conversion Shares, when allotted and issued, will rank pari passu in all respects with the Shares in issue on their date of allotment and issue.

The Conversion Shares which fall to be issued and allotted upon conversion of the Convertible Bond will be issued and allotted under the general mandate (the “General Mandate”) granted to the Directors at the annual general meeting of the Company held on 21 January 2011 to issue and allot up to 103,107,200 new Shares. Prior to the entering into of the Acquisition Agreement, no Shares have been issued pursuant to the General Mandate. Accordingly, the issue of and allotment of the Conversion Shares is not subject to any approval by Shareholders.

There is no restriction on the transferability of Conversion Shares upon conversion of the Convertible Bond.

Principal terms of the Promissory Note

The principal terms of the Promissory Note will be as follows:

Issuer	:	the Company
Principal amount	:	HK\$40,000,000
Issue price	:	100% of the principal amount
Interest	:	6% per annum
Date of issue	:	Date of Completion
Maturity date	:	1 year after the date of issue
Redemption	:	The Promissory Note is not redeemable by the holders.
Transferability	:	The Promissory Note may be transferred or assigned in whole or in part by the holders to any person or company not being a connected person of the Company, unless prior written consent is obtained from the Company.
Governing Law	:	The terms of the Promissory Note is governed by and construed in accordance with the laws of Hong Kong.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. Its issued share capital is owned as to 50% by Mr. Liu and as to the other 50% by Wide Soar.

The Target Company owns 100% of the issued share capital of Target Subsidiary A. Target Subsidiary A is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

Target Subsidiary A owns 90% of the registered capital of Target Subsidiary B. Target Subsidiary B is a sino-foreign equity joint venture established in the PRC. Target Subsidiary B is an investment holding company and its only principal asset is the 90% registered capital of Target Subsidiary C. The remaining 10% of the registered capital of Target Subsidiary B is owned by Target Subsidiary C.

Target Subsidiary B owns 90% of the registered capital of Target Subsidiary C. Target Subsidiary C is a limited liability company established in the PRC and is principally engaged in the extraction and sales of mineral products. Target Subsidiary C is the holder of the mining permit of Mine No. 1 and the exploration permit of Mine No. 2.

Target Subsidiary C owns 95% of the registered capital of Target Subsidiary D. Target Subsidiary D is a limited liability company established in the PRC. Target Subsidiary D is the holder of the exploration permit of Mine No. 3.

The remaining 10% of the registered capital of Target Subsidiary C is owned by 河南亞港實業有限公司 (Henan Ya Gang Enterprises Co., Ltd.*). The remaining 5% of the registered capital of Target Subsidiary D is owned by 何玉路先生 (Mr. He Yu Lu*). To the best knowledge of the Directors after making all reasonable enquiries, each of Mr. He Yu Lu, Henan Ya Gang Enterprises Co., Ltd. and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

DETAILS OF THE MINES

Mine No. 1

Mine No. 1 is located at Tongbai County (桐柏縣), Henan Province (河南省), the PRC with a total mining area of 1.81 sq.km. Target Subsidiary C is the holder of the mining permit of Mine No. 1. Mine No. 1 has commenced commercial scale of operation since 2007 and had a production capacity of 100,000 tonnes in 2010.

The “Advanced Detailed Investigation Reports”, “Reserves Verification Report” and “Feasibility Study on the Exploitation and Use of Resources” provided by the Vendors indicated that the mineral reserve of Mine No. 1 is estimated to be not less than (a) 5.83 metric tonnes of gold (UNFC Code 111b + 332); (b) 8 metric tonnes of gold (UNFC Code 333); and (c) 22.3 metric tonnes of silver (UNFC Code 332 + 333).

The mining permit of Mine No. 1 will expire on 31 December 2013.

Mine No. 2

Mine No. 2 is located at Tongbai County (桐柏縣), Henan Province (河南省), the PRC with a total mining area of 5.51 sq.km. Target Subsidiary C is the holder of the exploration permit of Mine No. 2. Mine No. 2 is still at the exploration stage and has yet to commence any commercial scale of operation.

The exploration permit of Mine No. 2 will expire on 6 April 2011, and Target Subsidiary C has applied for its extension.

Mine No. 3

Mine No. 3 is located at Ji Tai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區), the PRC with a total mining area of 29.12 sq.km.. Target Subsidiary D is the holder of the exploration permit of Mine No. 3. Mine No. 3 is still at the detailed investigation stage and has yet to commence any commercial scale of operation.

The exploration permit of Mine No. 3 will expire on 2 November 2011.

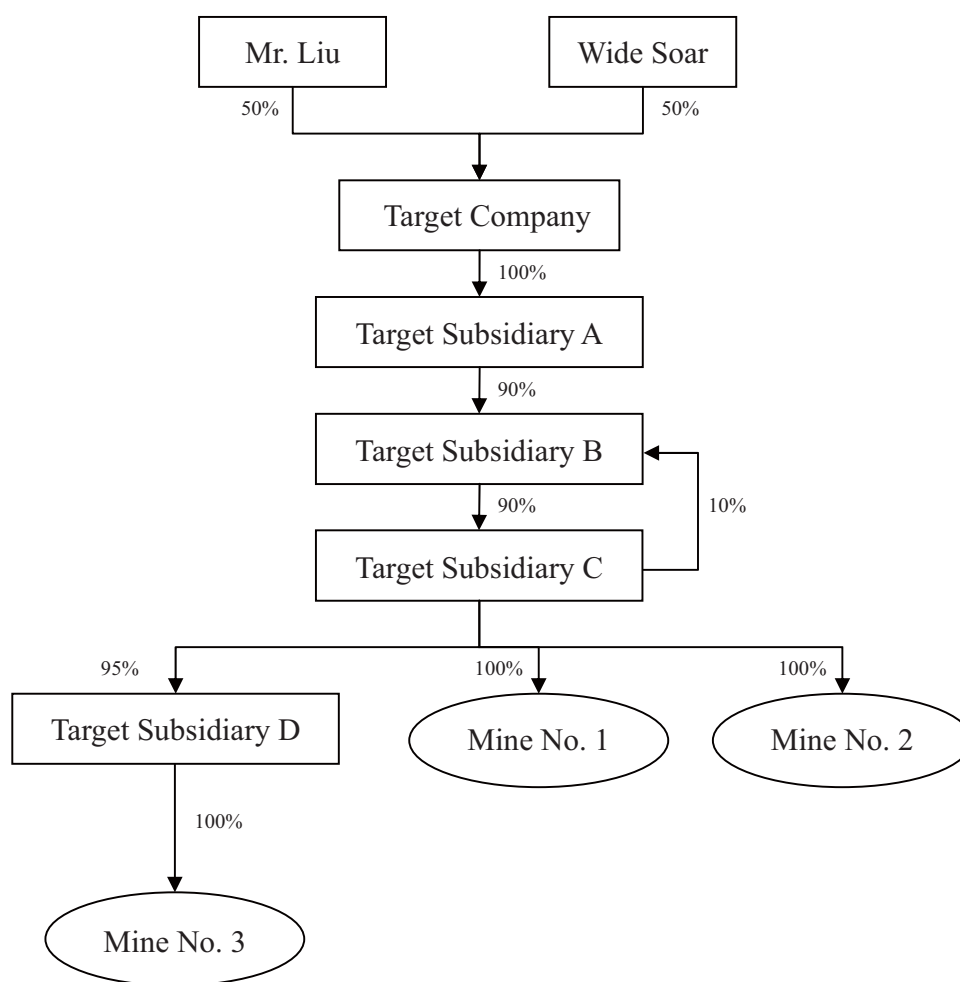
* *for identification purpose only*

Renewal of licences

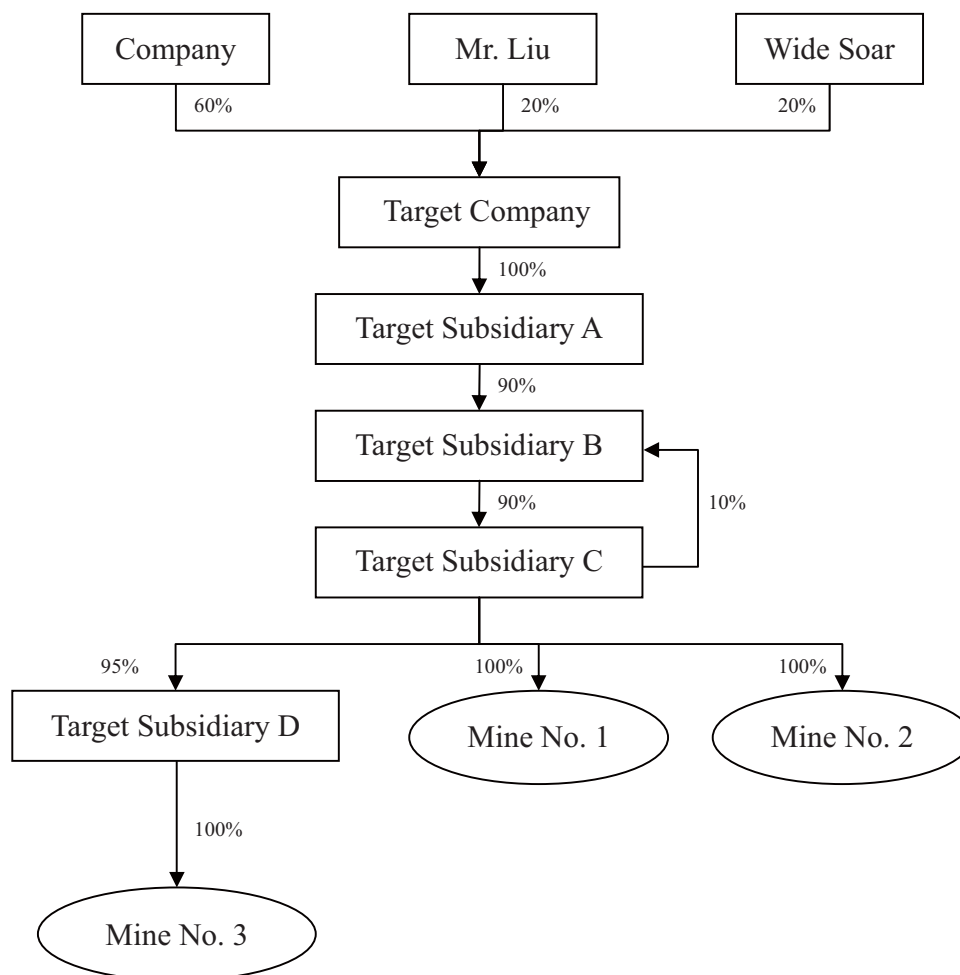
The PRC legal advisers to the Company have commenced legal due diligence on, amongst other things, the Target Group's legal title and interest to the Mines. After reviewing the relevant legal documents, the PRC legal advisers to the Company confirmed that there is no foreseeable legal obstacle for the Target Group to renew the exploration and mining licences as and when they expire. Moreover, the PRC legal advisers are of the view that the right of the Target Group to carry on the gold mining and exploration activities in the PRC will not be affected by the Proposed Acquisition.

SHAREHOLDING CHARTS

The shareholding structure of the Target Group before completion of the Proposed Acquisition is as follows:



The shareholding structure of the Target Group after completion of the Proposed Acquisition will be as follows:



If the Acquisition Agreement proceeds to completion, the Target Company and other members of the Target Group will become subsidiaries of the Company.

REASONS FOR THE PROPOSED ACQUISITION

Since as early as mid-2009, the Company has been exploring various proposals regarding possible investment in resources related projects in an effort to broadening its source of income and alleviating reliance on the existing businesses of financial information services and securities trading system licensing, which are more susceptible to stock market fluctuations. The Proposed Acquisition is in line with the Company's strategy of diversifying into the natural resources industry.

In addition, the Board notes that the Target Group will be able to contribute revenue to the Group immediately after Completion, and considers that the Proposed Acquisition represents a good opportunity for the Company to enter into natural resources industry.

Based on the above and after considering the risk factors detailed in the next section of this announcement, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition Agreement are fair and reasonable and on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

RISK FACTORS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition may widen the risk profile of the Group. Shareholders should be aware of the risk factors set out below, which may not be exhaustive, when considering the Proposed Acquisition.

Fluctuation in the price and demand of gold

The price of gold in the PRC is highly dependent on its price in the international market, which has been very volatile in recent years. The Directors consider that there are many factors which may influence the price and demand of gold in the international market, including but not limited to the stability of the international economic situations and the fluctuation of the global political and social conditions which are beyond the control of the Group.

Government regulations

The gold mining industry is subject to various government policies and regulations, including but not limited to, taxation, labour standards, vocational health and safety, waste treatment, environment monitoring, protection and control, operational management and other matters. Any changes to those policies may increase the operating costs of the industry and hence, adversely affect the operating results of the Target Group.

Validity of exploration and mining licences

The Mining Company has obtained exploration and mining licences for conducting exploration and exploitation activities in the Mines during the licenced period. At the expiry of the licensed period, the licences are subject to renewal and the Target Group may not be able to renew or extend its exploration and exploitation rights. In the event that the Target Group fails to renew the exploration and mining licences in future, the operation and financial performance of the Target Group will be adversely affected.

Continuous working capital support

The mining business requires continuous working capital investment. Operation and expansion may not be completed as planned or scheduled, may exceed the original working capital requirements and may not achieve the intended economic results or commercial viability.

Operation risks

The mining and exploration businesses of the Target Group are subject to operation risks and hazards including environmental pollution, accidents or spills, industrial and transportation accidents, unexpected labour shortages and compensatory claims, disputes or strikes, cost increases for goods and services, shortages of required materials and supplies, electrical power interruptions, mechanical and electrical equipment failure, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods, earthquakes, pit wall failures, tailings dam failures and cave-ins, encountering unusual or unexpected climatic or geological conditions.

New business for the Group

The Proposed Acquisition constitutes an investment in a new business sector to the Group and the enlarged Group may not be able to control the related operational risks of this new business. In this regard, the will seek for an experienced management team to oversee the new business of mining and exploration operations.

Conclusion

The Proposed Acquisition may increase the level of risk exposure of the enlarged Group. Shareholders should be aware of the aforementioned risk factors, which may not be exhaustive, when considering the Proposed Acquisition.

FINANCIAL INFORMATION OF THE TARGET GROUP

Target Company

No audited accounts have been prepared by the Target Company since its date of incorporation on 2 November 2010. Based on the unaudited management accounts of the Target Company provided by the Vendor, which were prepared in accordance with generally accepted accounting principles in Hong Kong, the Target Company had an unaudited net asset value of HK\$381,000 as at 15 March 2011, and had recorded unaudited net losses (both before and after taxation) of HK\$9,000 from its date of incorporation up to 15 March 2011.

Target Subsidiary A

No audited accounts have been prepared by Target Subsidiary A since its date of incorporation on 18 August 2010. Based on the unaudited management accounts of Target Subsidiary A provided by the Vendor, which were prepared in accordance with generally accepted accounting principles in Hong Kong, Target Subsidiary A had an unaudited net asset value of HK\$2,150 as at 15 March 2011, and had recorded unaudited net losses (both before and after taxation) of HK\$7,850 from its date of incorporation up to 15 March 2011.

Target Subsidiary B

No audited accounts have been prepared by Target Subsidiary B since its date of incorporation on 25 February 2011. Based on the unaudited management accounts of Target Subsidiary B provided by the Vendor, which were prepared in accordance with generally accepted accounting principles in the PRC, Target Subsidiary B had an unaudited net asset value of RMB1,000,000 (HK\$1,190,476) as at 15 March 2011, and had no profit and/or loss from its date of incorporation up to 15 March 2011.

Target Subsidiary C

Target Subsidiary C is the only entity within the Target Group which has a track record of business operations. The audited financial statements of Target Subsidiary C, which were prepared in accordance with generally accepted accounting principles in the PRC, contain the following financial information:–

- (a) As at 31 December 2010, the audited total and net assets of Target Subsidiary C were approximately RMB30,931,931 (HK\$36,823,727) and approximately RMB7,402,125 (HK\$8,812,054), respectively;
- (b) For the financial year ended 31 December 2009, Target Subsidiary C recorded audited net losses (both before and after tax) of approximately RMB217,358 (HK\$258,760); and
- (c) For the financial year ended 31 December 2010, Target Subsidiary C recorded audited net profit before and after tax of approximately RMB405,142 (HK\$482,312) and approximately RMB303,856 (HK\$361,733), respectively.

Target Subsidiary D

The audited financial statements of Target Subsidiary D, which were prepared in accordance with generally accepted accounting principles in the PRC, contain the following financial information: –

- (a) As at 31 December 2010, the audited total and net assets of Target Subsidiary D were approximately RMB1,160,958 (HK\$1,382,093) and approximately RMB1,000,000 (HK\$1,190,476), respectively;
- (b) For the two financial years ended 31 December 2009 and 2010, Target Subsidiary D had not recorded any profit and/or loss.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming full exercise of the Convertible Bonds; and (iii) assuming full exercise of the Placement Convertible Bonds and the Convertible Bonds.

Shareholders

	As at the date of this announcement		Upon Completion of the Proposed Acquisition and full exercise of Convertible Bonds		Assuming full exercise of the Placement Convertible Bonds and the Convertible Bonds	
	Number of Shares	Approx %	Number of Shares	Approx %	Number of Shares	Approx %
Asian Gold Dragon Limited (Note 1)	249,624,500	43.99	249,624,500	41.78	249,624,500	40.69
Rising Step Holdings Limited (Note 2)	57,100,000	10.06	57,100,000	9.55	57,100,000	9.31
Public shareholders						
Mr Liu (Note 3)	–	–	15,000,000	2.51	15,000,000	2.44
Wide Soar (Note 3)	–	–	15,000,000	2.51	15,000,000	2.44
Placees (Note 4)	–	–	–	–	16,000,000	2.61
Other public shareholders	260,811,500	45.95	260,811,500	43.65	260,811,500	42.51
Total	<u>567,536,000</u>	<u>100.00</u>	<u>597,536,000</u>	<u>100.00</u>	<u>613,536,000</u>	<u>100.00</u>

Notes:

1. Asian Gold Dragon Limited is beneficially owned as to 85% and 15% by Mr. Sze Chun Ning, Vincent and Mr. Lin Qun, respectively.
2. Rising Step Holdings Limited is beneficially and wholly owned by Mr. Zhuo Shui Jia.
3. The Vendors, independent to all existing shareholders and Placement Convertible Bond holders, are regarded as public shareholders for the purpose of the public float requirement under the Listing Rules.
4. The Placees are the holders of the Placement Convertible Bonds as announced by the Company on 1 December 2010. Each of the Placees is a third party independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

The relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Acquisition are more than 5% but less than 25%. Accordingly, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules.

GENERAL

The Group is principally engaged in the provision of financial information services, securities trading system licensing and wireless applications development.

Shareholders and potential investors of the Shares should note that the Proposed Acquisition is subject to the fulfillment or waiver of conditions precedent and may or may not proceed to Completion. 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:

“Acquisition Agreement”	a sale and purchase agreement entered into between the Company, Mr. Liu and Wide Soar on 28 March 2011 in relation to the Proposed Acquisition
“Board”	the board of Directors
“Company”	ABC Communications (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange with stock code 30
“Completion”	completion of the Acquisition Agreement
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Conversion Shares”	new Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Bond
“Convertible Bond”	the convertible bond in the agreed form to be issued by the Company in favour of the Vendors to satisfy the consideration for the Proposed Acquisition in the principal amount of HK\$0.70
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mine No. 1”	a mining area located at Tongbai County, Henan Province, the PRC with a total mining area of 1.81 sq.km.
“Mine No. 2”	a mining area located at Tongbai County, Henan Province, the PRC with a total mining area of 5.51 sq.km.
“Mine No. 3”	a mining area located at Ji Tai County, Xinjiang Uygur Autonomous Region, the PRC with a total mining area of 29.12 sq.km.
“Mines”	collectively, Mine No. 1, Mine No. 2 and Mine No. 3
“Mr. Liu”	Mr. Liu Ziqiang, a third party independent of the Company and its connected persons
“parties acting in concert”	having the meaning ascribed to it under the Takeovers Code
“Placement Convertible Bonds”	the convertible bonds in the principal amount of HK\$75,050,000 placed by the Company through Chung Nam Securities Limited on a fully underwritten basis pursuant to the placing agreement dated 1 December 2010
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note in the agreed form to be issued by the Company in favour of the Vendors to satisfy the consideration for the Proposed Acquisition in the principal amount of HK\$40,000,000
“Proposed Acquisition”	the proposed acquisition of 60% of the issued share capital and shareholders’ loans of the Target Company by the Company from the Vendors pursuant to the Acquisition Agreement
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	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
“substantial shareholder(s)”	having the meaning ascribed to it under the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Target Company”	Jun Qiao Limited (晉翹有限公司), a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries from time to time, including Target Subsidiary A, Target Subsidiary B, Target Subsidiary C and Target Subsidiary D
“Target Subsidiary A”	Xing Hua Yuan Investment Group Limited (興華源投資集團有限公司), a company incorporated in Hong Kong with limited liability and wholly-owned by the Target Company
“Target Subsidiary B”	鄭州金富源礦業有限公司 (Zhengzhou Jinfuyuan Mining Co. Ltd.), a sino-foreign equity joint venture established in the PRC and 90% owned by Target Subsidiary A
“Target Subsidiary C”	桐柏縣銀地礦業有限責任公司 (Tong Bai County Yin Di Mining Co. Ltd.*), a limited liability company established in the PRC and 90% owned by Target Subsidiary B
“Target Subsidiary D”	新疆鑫江源礦業有限公司 (Xin Jiang Xin Jiang Yuan Mining Co. Ltd.*), a limited liability company established in the PRC and 95% owned by Target Subsidiary C
“UNFC”	United Nations Framework Classification for Fossil Energy and Mineral Resources and Principles of a Resource/Reserve Classification for Minerals from U.S. Geological Survey, 1980
“Vendors”	Mr. Liu and Wide Soar
“Wide Soar”	Wide Soar Limited (偉昇有限公司), a company incorporated in the British Virgin Islands with limited liability and 100% owned by Mr. Wong Chun Chung

* for identification purpose only

For the purpose of this announcement, the exchange rate used for conversion between HK\$ and RMB is HK\$1.00 = RMB0.84.

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

Hong Kong, 28 March 2011

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:

Mr. Chen Jiasong (Chairman)

Mr. Cheung Wai Shing

Mr. Choy Kai Chung, Andy

Mr. Lau Kevin

Mr. Song Gaofeng

Ms. Ma Sai

Ms. Lam Pui Sea

Non-executive Director:

Mr. Qiu Hai Jian

Independent Non-executive Directors:

Mr. Lee Kwong Yiu

Mr. Lee Ho Yiu, Thomas

Mr. Zhang Guang Hui