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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

MAJOR TRANSACTION SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION

References are made to the announcements of the Company dated 8 November 2011, 16 November, 30 December 2011, 31 January 2012 and 1 February 2012 (the “**Announcements**”) in relation to the Acquisition. Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Company, the Vendor and the Guarantor entered into the Sale and Purchase Agreement dated 7 November 2011 regarding the Acquisition, which was subsequently supplemented by the first supplemental agreement dated 31 January 2012 (the “**First Supplemental Agreement**”). It was disclosed in the announcement of the Company dated 8 November 2011 that (a) Etao Network (a member of the Target Group) owned 78% of the equity interest in the Project Company (another member of the Target Group); (b) Mr. Luo Yan Yu (an Independent Third Party) owned 20% of the equity interest in the Project Company (the “**Relevant Equity Interest**”); and (c) upon Completion, the Company will be effectively interested in 38.61% of the equity interest in the Project Company on a look-through basis.

The Company was subsequently informed by the Vendor that Mr. Luo Yan Yu in fact held the Relevant Equity Interest on trust for Etao Network. The Relevant Equity Interest was originally transferred by Etao Network to Mr. Luo Yan Yu on 6 September 2011, on the basis that Mr. Luo Yan Yu would hold the Relevant Equity Interest on trust for Etao Network. On 18 November 2011, upon the instruction of Etao Network, Mr. Luo Yan Yu has transferred the Relevant Equity Interest to Mr. Shi Li Xin on the basis that Mr. Shi Li Xin would also hold the Relevant Equity Interest on trust for Etao Network. Based on the information provided by the Vendor, Mr. Luo Yan Yu and Mr. Shi Li Xin are senior management of the Project Company. The trust arrangement was put in place for administrative reasons in anticipation of the possible adoption of an employee share incentive scheme by the Project Company. However, the incentive scheme has not been implemented yet and therefore, Mr. Luo Yan Yu had from 6 September 2011 to 18 November 2011, and Mr. Shi Li Xin has since 18 November 2011, held the Relevant Equity Interest on trust for Etao Network.

The Vendor has recently informed the Company as to the trust arrangement. After arm's length negotiations between the Company and the Vendor, on 2 March 2012, the Company, the Vendor, the Guarantor, Mr. Luo Yan Yu and Mr. Shi Li Xin entered into a second supplemental agreement (the "**Second Supplemental Agreement**") whereby it was agreed that the subject matter of the Acquisition was intended to cover the Relevant Equity Interest, and that the Consideration for the Sale Shares and the Sale Loans would remain unchanged. As a result of the variation of terms, the effective equity interest in the Project Company to be acquired by the Company through the Acquisition, on a look-through basis, will increase from 38.61% to 48.51%.

Save for the variation of terms expressly set out in the First Supplemental Agreement and the Second Supplemental Agreement, all other terms and conditions of the Sale and Purchase Agreement will remain unchanged and continue in full force and effect.

As stated above, the effective equity interest in the Project Company to be acquired by the Company through the Acquisition, on a look-through basis, increases from 38.61% to 48.51% without a corresponding increase in the Consideration. Accordingly, the Directors are of the view that the terms of the Sale and Purchase Agreement (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) are fair and reasonable and on normal commercial terms, and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 2 March 2012

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

Non-executive Director:

Mr. Qiu Hai Jian

Independent non-executive Directors:

Mr. Lee Kwong Yiu

Mr. Lee Ho Yiu, Thomas

Mr. Zhang Guang Hui