

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to the 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 announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **ABC COMMUNICATIONS (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 30)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**



**英皇證券(香港)有限公司**  
**Emperor Securities Limited**

#### **PLACING OF NEW SHARES**

On 27 April 2012 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 86,154,000 new Shares to not less than six Placees at a price of HK\$0.26 per Placing Share.

The maximum of 86,154,000 Placing Shares represent (i) 13.45% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.85% of the issued share capital of the Company as enlarged by the issue of a maximum of 86,154,000 Placing Shares.

The Placing Price of HK\$0.26 per Share represents (i) a discount of approximately 18.75% to the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 27 April 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 19.50% to the average closing price of HK\$0.323 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of this announcement.

The aggregate gross proceeds from the Placing will be approximately HK\$22.4 million and the net proceeds will be approximately HK\$21.7 million. The Company intends to use the net proceeds of approximately HK\$21.7 million from the Placing to repay outstanding convertible bonds of the Company amounted to HK\$21.84 million (including interest) which will be matured and payable on 8 May 2012 if the said convertible bonds are not fully converted by its holder before the maturity date. Provided that the said convertible bonds are fully or partly converted by its holder before the maturity date, the remaining proceeds from the Placing will be used to partly repay the loan from a substantial shareholder of the Company which amounted to HK\$26.8 million as at the date of this announcement.

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

**Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

27 April 2012

### **Issuer**

The Company

### **Placing Agent**

Emperor Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### **Placees**

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors and not concert parties with the controlling Shareholder(s) (if any) (as defined under the Takeovers Code), and not connected with any directors, chief executive or substantial

shareholder (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees and their respective associates will become a substantial Shareholder as a result of the Placing.

### **Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, not less than six Placees to subscribe for a maximum of 86,154,000 Placing Shares at the Placing Price. The maximum of 86,154,000 Placing Shares represent (i) 13.45% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.85% of the issued share capital of the Company as enlarged by the issue of a maximum of 86,154,000 Placing Shares. The aggregate nominal value of the maximum number of 86,154,000 Placing Shares is HK\$861,540.

### **Placing Price**

The Placing Price of HK\$0.26 per share represents (i) a discount of approximately 18.75% to the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 27 April 2012, being the date of the Placing Agreement; and (ii) a discount of approximately 19.50% to the average closing price of HK\$0.323 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of this announcement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and Placing Commission) are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

### **Condition to the Placing Agreement**

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares.

The Placing Agreement shall automatically become null and void and of no effect if the conditions set forth above remain unfulfilled on 31 May 2012 or such date mutually agreed by both the Company and the Placing Agent and in such event either party shall have no claim against each other, save for those expressly reserved and agreed in the Placing Agreement.

### **Ranking of Placing Shares**

The Placing Shares shall rank pari passu in all respects among themselves and with the existing issued Shares on the date of allotment and issue of the Placing Shares.

## **Termination and force majeure**

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date of completion of the Placing Agreement, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not of the same nature with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;
- (c) any significant change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (d) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement;
- (e) any adverse change in the business, financial or trading position of any member of the Group which is material to the Placing; or
- (f) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group or will otherwise likely to have a material prejudicial effect on the Placing.

**Completion**

Completion of the Placing shall take place not later than the second Business Day after all the conditions as set out in the Placing Agreement are fulfilled or such other date to be agreed between the Company and the Placing Agent.

**Placing commission**

The Placing Agent shall receive a placing commission of 2.50% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

**General Mandate**

The maximum of 86,154,000 Placing Shares will be issued and allotted under the General Mandate granted to the Directors at the annual general meeting held on 10 February 2012. As at the date of this announcement, the General Mandate has not been utilized since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 128,128,640 Shares.

**Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon completion of the Placing, assuming a maximum of 86,154,000 Placing Shares are successfully placed by the Placing Agent; (iii) upon completion of the Placing, assuming a maximum of 86,154,000 Placing Shares are successfully placed by the Placing Agent and in the event that the Specific Mandate Placing has been completed before the Placing.

	As at the date of this announcement		Upon completion of the Placing but before completion of the Specific Mandate Placing		Upon completion of the Specific Mandate Placing and the Placing	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Asian Gold Dragon Limited (Note 1)	215,054,500	33.57	215,054,500	29.59	215,054,500	19.09
Rising Step Holdings Limited (Note 2)	71,376,000	11.14	71,376,000	9.82	71,376,000	6.33
The Specific Mandate Placees (Note 3)	–	–	–	–	400,000,000	35.50
The Placees (Note 4)	–	–	86,154,000	11.85	86,154,000	7.65
Other public Shareholders	354,212,700	55.29	354,212,700	48.74	354,212,700	31.43
Total	<u>640,643,200</u>	<u>100.00</u>	<u>726,797,200</u>	<u>100.00</u>	<u>1,126,797,200</u>	<u>100.00</u>

Note:

1. Asian Gold Dragon Limited is the controlling Shareholder as at the Latest Practicable Date and is owned as to 85% by Mr. Sze Chun Ning, Vincent and 15% by Mr. Lin Qun, the ultimate beneficial owners of Asian Gold Dragon Limited. Other than being a controlling Shareholder, Asian Gold Dragon Limited and its ultimate beneficial owners have no relationship with the Company and its connected persons.
2. Rising Step Holdings Limited is a substantial Shareholder as at the Latest Practicable Date and is wholly-owned by Mr. Zhou Shui Jia, the ultimate beneficial owner of Rising Step Holdings Limited. Other than being a substantial Shareholder, Rising Step Holdings Limited and its ultimate beneficial owner have no relationship with the Company and its connected persons.
3. The special general meeting in relation to the Specific Mandate Placing has been duly passed by Shareholders on 5 March 2012, however the completion of the Specific Mandate Placing has not yet completed as of the date of this announcement.
4. Pursuant to the Placing Agreement, the Placing Agent agreed to procure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected with the Company and its connected persons. Therefore, the Placees are treated as public Shareholders.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Description of fund raising exercises	Net proceeds raised (approximately)	Intended use of net proceed	Actual use of net proceed
18 January 2012	Placing of new Shares under specific mandate	HK\$95 million	<p>(i) Approximately HK\$70 million for financing part payment of the consideration of the Acquisition, or in the event that the Acquisition is not completed, the said proceeds will be applied for financing any other investment opportunities that may be identified by the Group;</p> <p>(ii) Approximately HK\$21 million for the reduction of liabilities including the repayment of the entire outstanding convertible bonds of the Company amounted to HK\$21 million upon its maturity if the said convertible bonds are not fully converted by its holder before the maturity date and the possible early repayment of the outstanding loan of the Company amounted to HK\$15.2 million;</p> <p>Provided that the said convertible bonds are fully or partly settled by the Placing, the remaining proceeds will be used to partly repay the loan from a substantial shareholder of the Company which amounted to HK\$26.8 million as at the date of this announcement.</p> <p>(iii) Approximately HK\$4 million for the general working capital of the Group, of which around HK\$2.1 million for administrative expenses of the Company and around HK\$1.9 million for the settlement of professional fees</p>	As the Specific Mandate Placing has not been completed as of the date of this announcement, no proceeds has been utilized

Save as disclosed above, the Company had not carried out any equity fund raising exercise in the 12 months period immediately preceding the date of this announcement.

## **REASONS FOR THE PLACING AND USE OF THE PROCEEDS**

The Group is principally engaged in providing financial information services, wireless applications development and securities trading system licensing and extracting and selling mineral products.

The Directors are of the view that the Placing will reduce the current liabilities and strengthen the financial position of the Group, including its ability to meet any future obligations. The Placing also represents a good opportunity to broaden the shareholder base and the capital base of the Company. The Directors consider that the terms of the Placing, including the rate of the placing commission, are fair and reasonable based on the current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

The aggregate gross proceeds from the Placing will be approximately HK\$22.4 million and the net proceeds will be approximately HK\$21.7 million. The net Placing Price will be approximately HK\$0.252 per Share. The Company intends to use the net proceeds of approximately HK\$21.7 million from the Placing to repay outstanding convertible bonds (“Convertible Bonds”) of the Company amounted to HK\$21.84 million (including interest) which will be matured and payable on 8 May 2012 if the Convertible bonds are not fully converted by its holder before the maturity date. Provided that the Convertible Bonds are fully or partly converted by its holder before the maturity date, the remaining proceeds from the Placing will be used to partly repay the loan from a substantial shareholder of the Company which amounted to HK\$26.8 million as at the date of this announcement.

It was stated in the circular of the Company dated 16 February 2012 in relation to the Specific Mandate Placing that approximately HK\$21 million of the net proceeds therefrom will be used for the reduction of liabilities including the repayment of the entire outstanding Convertible Bonds and the possible early repayment of the outstanding loan of the Company amounted to HK\$15.2 million. In the event that the Convertible Bonds are fully or partly settled by proceeds of the Placing, the remaining proceeds from the Specific Mandate Placing will be used to partly repay the loan from a substantial shareholder of the Company which amounted to HK\$26.8 million as at the date of this announcement.

## **GENERAL**

The Placing is not subject to Shareholders’ approval as the Placing Shares will be issued under the General Mandate.

**Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**



## DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associates”	has the meaning ascribed to it in the Listing Rules
“Acquisition”	the proposed acquisition of 55% of the issued share capital of Billion Light Holdings Limited by the Company at the consideration of HK\$200,000,000 pursuant to the sale and purchase agreement, details of which have been disclosed in the announcement of the Company dated 8 November 2011
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong
“Company”	ABC Communications (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting on 10 February 2012 to allot, issue and deal with up to 128,128,640 new Shares, representing 20.00% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Placee(s)”	any independent institutional, professional and/or individual investors who are not concert parties with the controlling Shareholder(s) (if any) (as defined under the Takeovers Code), and not connected with any directors, chief executive or substantial Shareholder(s) (if any) of the Company or its subsidiaries and their respective associates
“Placing”	the best effort placing of up to 86,154,000 Placing Shares
“Placing Agent”	Emperor Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 27 April 2012 in respect of the Placing
“Placing Price”	HK\$0.26 per Placing Share
“Placing Shares”	a maximum of 86,154,000 Shares to be issued under the Placing
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Specific Mandate Placees”	any individual, institutional or other professional investor procured by the Specific Mandate Placing Agent to subscribe for any of the Specific Mandate Placing Shares pursuant to the Specific Mandate Placing Agreement
“Specific Mandate Placing”	the best effort placing of up to 400,000,000 Specific Mandate Placing Shares at a price of HK\$0.25 per Specific Mandate Placing Share, details of which have been disclosed in the announcement of the Company dated 18 January 2012 and the circular of the Company dated 16 February 2012

“Specific Mandate Placing Agent”	United Simsen Securities Limited, a licensed corporation to carry on business in Type 1, 2, 4 and 6 regulated activities under the SFO
“Specific Mandate Placing Shares”	up to 400,000,000 new Shares in not more than two tranches in relation to the Specific Mandate Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 27 April 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*

*In the case of any inconsistency, the English text of this announcement should prevail over the Chinese Text.*