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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

CLARIFICATION ANNOUNCEMENT ON THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2014

Reference is made to the annual report of ABC Communications (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for its financial year ended 31 March 2014 (the “**Annual Report**”) posted on the respective websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 29 July 2014.

In addition to the information disclosed in the Annual Report, the Company wishes to provide shareholders of the Company (the “**Shareholders**”) and the public with additional information regarding fund raising activities and details of the exploration activities that were undertaken at the mining properties of the Group during the financial year of the Company ended 31 March 2014 as follows:

FUND RAISING ACTIVITIES THROUGH ISSUE OF EQUITY

The June Placing

As disclosed in the Company’s announcement dated 10 June 2013, (a) on 10 June 2013, the Company and Orient Securities Limited (the “**Placing Agent**”) entered into the placing agreement (the “**June Placing Agreement**”), pursuant to which the Company conditionally agreed to place, through the Placing Agent, on a best efforts basis, a maximum of 233,000,000 placing shares to not less than six placees at a price of HK\$0.15 per placing share (the “**June Placing**”); (b) on the assumption that all 233,000,000 placing shares were fully placed, the aggregate gross proceeds from the June Placing would be approximately HK\$34.95 million and the net proceeds would be approximately HK\$33.3 million, after deducting the placing commission and other professional fees incurred in the June Placing; (c) on the assumption that all 233,000,000 placing shares were fully placed, the Company

intended to use the net proceeds of the June Placing of approximately HK\$33.3 million as to approximately HK\$13.3 million for general working capital of the Company and as to approximately HK\$20 million for future potential investments of the Company; (d) the placing price of the June Placing of HK\$0.15 represents a discount of approximately 12.79% to the closing price of HK\$0.172 per Share as quoted on the Stock Exchange on 10 June 2013, being the date of the June Placing Agreement; and (e) the reasons for the June Placing was that the Directors were of the view that the June Placing would strengthen the financial position of the Group, as well as providing working capital to the Group to meet any future obligations for potential investments of the Company, and that the June Placing should represent a good opportunity to broaden the shareholder base and the capital base of the Company.

As disclosed in the Company's announcement dated 5 July 2013, (a) completion of the June Placing took place on 5 July 2013, whereby a total of 211,660,000 placing shares were successfully placed by the Placing Agent to not less than six placees at the placing price of HK\$0.15 per placing share; and (b) to the best of the Directors' knowledge, information and belief having made all reasonable enquires, the placees under the June Placing (who were independent individual, corporate and/or institutional investors) and their ultimate beneficial owners were third parties independent of and not connected or acting in concert with the Company, its directors, chief executive or substantial shareholders of the Company or its subsidiaries and any of their respective associates.

The Company wishes to update our Shareholders and the public that: (a) the aggregate nominal value of the placing shares issued pursuant to the June Placing amounted to HK\$2,116,600.00; (b) the gross proceeds from the June Placing was approximately HK\$31.75 million and the net proceeds from the June Placing, after deducting the placing commission and other professional fees incurred by the Company in the June Placing, was approximately HK\$30.23 million; and (c) the net proceeds of the June Placing were utilized as to approximately HK\$5.23 million as general working capital of the Company for the payment of general and administration expenses of the Company, and as to approximately HK\$25 million for the payment of consideration for the acquisition of 60% equity interest in POMP International Limited ("**POMP**"), the details of which were already disclosed in the Company's announcement dated 25 March 2014.

The October Placing

As disclosed in the Company's announcement dated 15 October 2013, (a) on 15 October 2013, the Company and the Placing Agent entered into the placing agreement (the "**October Placing Agreement**"), pursuant to which the Company conditionally agreed to place, through the Placing Agent, on a best efforts basis, a maximum of 275,891,440 placing shares to not less than six placees at a price of HK\$0.15 per placing share (the "**October Placing**");

(b) on the assumption that all 275,891,440 placing shares were fully placed, the aggregate gross proceeds from the October Placing would be approximately HK\$41.38 million and the net proceeds would be approximately HK\$39.53 million, after deducting the placing commission and other professional fees incurred in the October Placing; (c) on the assumption that all 275,891,440 placing shares were fully placed, the Company intended to use the net proceeds of the October Placing of approximately HK\$39.53 million as to approximately HK\$9.53 million for general working capital of the Company and as to approximately HK\$30 million for future potential investments of the Company; (d) the placing price of the October Placing of HK\$0.15 represents a discount of approximately 6.83% to the closing price of HK\$0.1610 per Share as quoted on the Stock Exchange on 15 October 2013, being the date of the October Placing Agreement; and (e) the reasons for the October Placing was that the Directors were of the view that the October Placing would strengthen the financial position of the Group, as well as providing working capital to the Group to meet any future obligations for potential investments of the Company, and that the October Placing represented a good opportunity to broaden the shareholder base and the capital base of the Company.

As disclosed in the Company's announcement dated 23 October 2013, (a) completion of the October Placing took place on 23 October 2013, whereby a total of 275,890,000 placing shares were successfully placed by the Placing Agent to not less than six placees at the placing price of HK\$0.15 per placing share; and (b) to the best of the Directors' knowledge, information and belief having made all reasonable enquires, the placees under the October Placing (who were independent individual, corporate and/or institutional investors) and their ultimate beneficial owners were third parties independent of and not connected or acting in concert with the Company, its directors, chief executive or substantial shareholders of the Company or its subsidiaries and any of their respective associates.

The Company wishes to update our Shareholders and the public that: (a) the aggregate nominal value of the placing shares issued pursuant to the October Placing amounted to HK\$2,758,900.00; (b) the gross proceeds from the October Placing was approximately HK\$41.38 million and the net proceeds from the October Placing, after deducting the placing commission and other professional fees incurred by the Company in the October Placing, was approximately HK\$39.53 million; and (c) the net proceeds of the October Placing were utilized as to approximately HK\$4.53 million as general working capital of the Company for the payment of general and administration expenses of the Company, and as to approximately HK\$35 million for the payment of consideration for the acquisition of 60% equity interest in POMP.

FURTHER DETAILS OF EXPLORATION ACTIVITIES

The Company set out the detailed geological survey and mineral resources exploration work undertaken at the Li Zi Yuan Mining Area and Hu Lei Si De Mining Area during the financial year ended 31 March 2014 in its Annual Report. In addition, the Company provides further information on the exploration work done during the relevant financial year as follows:

Li Zi Yuan Mining Area

Exploration activities undertaken	Work done
1:2000 geological mapping and surveying	2.63 km ²
1:2000 prospecting line profile	2.4 km
Trenching	800 m ³
Total length of holes drilled	400 m
Sampling (including laboratory sampling 280 pieces)	300 pieces
Tunneling	330 m

Hu Lei Si De Mining Area

Exploration activities undertaken	Work done
1:2000 geological mapping and surveying	4 km ²
1:1000 prospecting line profile	2 km
Trenching	600 m ³
Total length of holes drilled	650 m
Sampling	800 pieces

By Order of the Board
ABC Communications (Holdings) Limited
Cheung Wai Shing
Executive Director and Company Secretary

Hong Kong, 14 October 2014

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

Executive Directors:

Mr. Chow Wang (*Chairman*)
Mr. Zhao Baolong (*Chief Executive Officer*)
Mr. Chen Jiasong
Mr. Cheung Wai Shing
Mr. Xu Jian Zhong

Independent Non-executive Directors:

Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan
Mr. Zhang Guang Hui