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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

DEED OF AMENDMENT RELATING THE CONVERTIBLE BONDS DUE 2011

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On 9 January 2012, the Company and Bondholder entered into the Deed of Amendment to amend certain terms of the Convertible Bonds.

BACKGROUND INFORMATION

The Company refers to its announcements dated 2 December 2010 and 13 December 2010. As described in the aforementioned announcements, the Company issued the Convertible Bonds to not less than six subscribers who are independent of and not connected with the Company and its connected persons. As at the date of this announcement, the Convertible Bonds with an aggregate amount of HK\$15,200,000 held by the Bondholder is still outstanding and was originally due in December 2011 pursuant to the original terms and conditions of the Convertible Bonds.

DEED OF AMENDMENT

On 9 January 2012, the Company and the Bondholder entered into the Deed of Amendment pursuant to which the Company and the Bondholder mutually agreed to the followings:

- extend the repayment of principal amount of the outstanding Convertible Bond for a period of 9 months from 13 December 2011 to 13 September 2012;
- the Company shall pay to the Bondholder an interest of 4% per annum on the principal amount of the outstanding Convertible Bonds during the extension period from 13 December 2011 to 13 September 2012, payable at maturity; and
- the Company shall pay to the Bondholder default interest on such sum at the rate of 10% per annum if the Company fails to pay any sum payable under the Deed of Amendment when due.

The Company shall pay to the Bondholder an extension fee of HK\$152,000 in consideration of the above amendments and the interests on the outstanding Convertible Bonds accrued up to and including 12 December 2011 of HK\$608,000 within 10 Business Days after execution of the Deed of Amendment.

The terms of Deed of Amendment were arrived at after arms length negotiation between the Company and Bondholder.

REASONS FOR THE DEED OF AMENDMENT

The terms of the Deed of Amendment were agreed by the parties thereto following arm's length negotiation. The interest rate under the Deed of Amendment remains the same as the interest rate of the original bond instrument under Convertible Bonds, which is below the prime lending rate published by The Hong Kong and Shanghai Banking Corporation Limited as at the date of this announcement (i.e. 5% per annum) and remains attractive to the Company. The Board considers that the rate is fair and reasonable and is the interests of the Company and the Shareholders as a whole.

The Deed of Amendment effectively allows the Group to refinance the debts under the Convertible Bonds under the same terms for a further 9 months. As at the date of this announcement, the Company has sufficient funds to fully repay the outstanding Convertible Bonds. However, the Board is of the view that the Deed of Amendment will enable the Company to retain the funds for potential investments or opportunities.

Save as amended by the Deed of Amendment, other major terms of the Convertible Bonds remain unchanged.

The Board considers that the terms of the Deed of Amendment are fair and reasonable and the Deed of Amendment is in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the Deed of Amendment will not pose any significant impact on the operations of the Group.

DEFINITIONS

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

“Board”	Board of Directors
“Bondholder”	Main Purpose Investments Limited, a company incorporated in the British Virgin Islands with limited liability which principally engages in investments in and trading of securities, and is independent of and not connected with the Company and its connected persons, is the holder of outstanding Convertible Bonds
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	ABC Communications (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules, unless otherwise specified
“Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	4% rate unsecured redeemable convertible bonds due 2011 in the principal amount of up to HK\$75,050,000 convertible into conversion shares, to be constituted by the bond instrument
“Deed of Amendment”	The deed of amendment dated 9 January 2012 entered into between the Company and the Bondholder, whereby the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 9 months
“Directors”	The directors of the Company
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 9 January 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