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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Orient Securities Limited

On 15 October 2013 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has 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 Places at a price of HK\$0.15 per Placing Share.

The Placing Price of HK\$0.15 represents (i) a discount of approximately 6.83% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on 15 October 2013, being the date of the Placing Agreement; (ii) a discount of approximately 8.87% to the average closing price of approximately HK\$0.1646 as quoted on the Stock Exchange for the five consecutive trading days prior to and including the date of the Placing Agreement; and (iii) a discount of approximately 12.02% to the average closing price of approximately HK\$0.1705 as quoted on the Stock Exchange for the ten consecutive trading days prior to and including the date of the Placing Agreement.

The maximum of 275,891,440 Placing Shares represent (i) approximately 20% of the issued share capital of the Company of 1,379,457,200 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of a maximum of 275,891,440 Placing Shares.

On the assumption that all Placing Shares are fully placed, the gross proceeds and the net proceeds arising from the Placing will be HK\$41.38 million and approximately HK\$39.53 million, respectively, which is intended to be used as general working capital and for future potential investments of the Company.

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 : 15 October 2013 (after trading hours)

Issuer : The Company

Placing Agent : Orient 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.

Places: The Placing Shares will be placed to not less than six Places (who will be independent individual, corporate and/or institutional investors) who and whose ultimate beneficial owners are independent from and not connected or acting in concert with the Company, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. It is expected that none of the Places nor their associates will become a substantial shareholder as a result of the Placing.

Number of Placing Shares: Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, not less than six Placers to subscribe for up to a maximum of 275,891,440 Placing Shares at the Placing Price. Assuming all the Placing Shares are fully placed, the Placing Shares represents approximately 20% of the issued share capital of the Company of 1,379,457,200 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of a maximum of 275,891,440 Placing Shares. The aggregate nominal value of the maximum number of 275,891,440 Placing Shares is HK\$2,758,914.40.

Placing Price: The Placing Price of HK\$0.15 per Share was agreed after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 6.83% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on 15 October 2013, being the date of the Placing Agreement;
- (b) a discount of approximately 8.87% to the average closing price of approximately HK\$0.1646 as quoted on the Stock Exchange for the five consecutive trading days prior to and including the date of the Placing Agreement; and
- (c) a discount of approximately 12.02% to the average closing price of approximately HK\$0.1705 as quoted on the Stock Exchange for the ten consecutive trading days prior to and including the date of the Placing Agreement.

- Conditions: Completion of the Placing is conditional upon:
- (a) the completion of the Placing having occurred pursuant to the terms of the Placing Agreement;
 - (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such permission and listing not subsequently being revoked prior to the completion date of the Placing); and
 - (c) if required, the Bermuda Monetary Authority granting permission to allot and issue the Placing Shares.
- Ranking of the Placing Shares: The Placing Shares will 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.
- General Mandate: The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the shareholders passed at the Company's annual general meeting held on 30 September 2013 subject to the limit up to 20% of the then issued ordinary Shares with a par value of HK\$0.01 each in the capital of the Company. Under the General Mandate, the Company is authorized to issue 275,891,440 Shares. Prior to the entering into of the Placing Agreement, no new Shares have been issued under the General Mandate.
- Placing Commission: The Placing Agent will receive a placing commission of 4% of the aggregate Placing Price for 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.

Termination of the Placing:	In the event the conditions to the Placing are not fulfilled by 15 November 2013 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and none of the parties to the Placing Agreement shall have any claim against any other party in respect of the Placing save for any antecedent breaches.
Completion of the Placing:	The completion of the Placing will take place within seven business days following the fulfillment of the conditions to the Placing.
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 and (ii) upon completion of the Placing, assuming a maximum of 275,891,440 Placing Shares are successfully placed by the Placing Agent.

	As at the date of this announcement		Upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Asian Gold Dragon Limited (Note 1)	215,054,500	15.59	215,054,500	12.99
The Placees (Note 2)	–	–	275,891,440	16.67
Other public shareholders	<u>1,164,402,700</u>	<u>84.41</u>	<u>1,164,402,700</u>	<u>70.34</u>
Total	<u>1,379,457,200</u>	<u>100.00</u>	<u>1,655,348,640</u>	<u>100.00</u>

Notes:

1. Asian Gold Dragon Limited is a substantial shareholder of the Company as at the date of this announcement. Other than being a substantial shareholder of the Company, Asian Gold Dragon Limited and its ultimate beneficial owners have no relationship with the Company and its connected persons.

The Company notes that, according to the disclosure of interest filed by Mr. Wang Xiaobo on 12 September 2013, Asian Gold Dragon Limited is wholly owned by Mr. Wang Xiaobo, the ultimate beneficial owner of Asian Gold Dragon Limited.

The Company further notes that, according to the disclosure of interest made by Mr. Sze Chun Ning, Vincent on 15 August 2011, Asian Gold Dragon Limited is 85% owned by Mr. Sze Chun Ning, Vincent, the ultimate beneficial owner of Asian Gold Dragon limited.

2. 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, its directors, chief executive or substantial shareholders of the Company or its subsidiaries and their respective associates. 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
10 June 2013	Placing of new shares under general mandate	HK\$30.23 million	<p>(i) Approximately HK\$10.23 million for the general working capital of the Group; and</p> <p>(ii) Approximately HK\$20 million for future potential investment of the Company.</p>	Approximately HK\$5.2 million was used as general working capital of the Group and the balance remains unused.
26 July 2013	Placing of bonds due 2020	HK\$368 million	<p>(i) Not less than 70% of the net proceeds for financing any investment opportunities identified by the Group;</p> <p>(ii) Not more than 20% of the net proceed for financing future development costs of the existing mining properties of the Group; and</p> <p>(iii) not more than 10% of the net proceeds for general working capital of the Group.</p>	As the placing of bonds 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 twelve months period immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND USE OF THE PROCEEDS

The Group is principally engaged in (a) exploration and exploitation of mineral resources; (b) financial quotation services and securities trading system licensing; and (c) wireless applications development.

The Directors are of the view that the Placing will 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. 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 Agreement, including the Placing Price and 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.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing will be approximately HK\$41.38 million and the net proceeds will be approximately HK\$39.53 million, after deducting the placing commission and other professional fees incurred in the Placing. The net Placing Price will be approximately HK\$0.143 per Share. The Company intends to use the net proceeds 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.

As announced by the Company on 16 May 2013 and 14 June 2013, the Company entered into a non-legally binding Memorandum of Understanding (the “MOU”) with Mr. Peng Yong Ning in relation to the proposed acquisition of the entire issued share capital and all shareholders’ loans of Giant Purity Limited (the “Proposed Acquisition”), which was subsequently supplemented by a Supplemental Memorandum of Understanding dated 14 June 2013. The MOU has already lapsed on 15 September 2013, and the Company does not intend to proceed with the Proposed Acquisition any further. As at the date of this announcement, the Company has not identified any other potential investment opportunity.

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:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	The board of directors of the Company;
“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 (stock code: 30);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting on 30 September 2013 to allot, issue and deal with up to 275,891,440 new Shares, representing 20% of the then issued share capital of the Company;
“Group”	the Company and its Subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares;

“Placing”	the best-effort placing of up to 275,891,440 Placing Shares by the Placing Agent pursuant to the terms and conditions set out in the Placing Agreement;
“Placing Agent”	Orient Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) and 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 15 October 2013 in respect of the Placing;
“Placing Price”	HK\$0.15 per Placing Share;
“Placing Shares”	a maximum of 275,891,440 new Shares to be placed pursuant to the Placing Agreement;
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company;
“shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

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

Hong Kong, 15 October 2013

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

Executive Directors:

Mr. Chen Jiasong (*Chairman*)

Mr. Cheung Wai Shing

Independent Non-executive Directors:

Mr. Chen Haoyun, Jordy

Mr. Lee Kwong Yiu

Mr. Yau Chung Hang

Mr. Zhang Guang Hui

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