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

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 30)**

### **ANNOUNCEMENT**

#### **EXTENSION OF EXCLUSIVITY PERIOD AND AN UPDATE ON THE PROGRESS OF THE MEMORANDUM OF UNDERSTANDING**

The Company wishes to announce that on 17 April 2014, the Company and the Vendors entered into the Letter of Extension to extend the expiration of the Exclusivity Period under the Memorandum of Understanding from 17 April 2014 to 17 July 2014. The Exclusivity Period was extended to allow for more time to conduct the due diligence and for the parties to further negotiate the terms of the transactions and, if possible, to finalise the transaction documents.

**Shareholders and potential investors of the Shares should note that the Proposed Acquisition may or may not materialize. Shareholders and investors should exercise caution in dealing with the securities of the Company.**

Reference is made to the Company's announcement dated 17 January 2014 (the "**Announcement**") in relation to the entering into of the Memorandum of Understanding in relation to the Proposed Acquisition of the entire issued share capital and all shareholders' loans of the Target Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

Pursuant to the Memorandum of Understanding, the Exclusivity Period for further negotiation of the terms of the Proposed Acquisition and the possible signing of the formal sale and purchase agreement shall expire on 17 April 2014.

The Company wishes to announce that on 17 April 2014, the Company and the Vendors entered into a letter of extension (the "**Letter of Extension**") to extend the expiration of the Exclusivity Period under the Memorandum of Understanding from 17 April 2014 to 17 July 2014. The Exclusivity Period was extended to allow for more time to conduct the due diligence and for the parties to further negotiate the terms of the transactions and, if possible, to finalise the transaction documents.

The Company also wishes to update shareholders on the progress of the Proposed Acquisition. As at the date of this announcement, in anticipation of the possible signing of the binding sale and purchase agreement relating to the Proposed Acquisition:

- (a) The Company has retained Changjiang Corporate Finance (HK) Limited as its financial adviser relating to the Proposed Acquisition.
- (b) The Company has retained PRC legal advisers to perform a due diligence review on the Target Group. The due diligence is making satisfactory progress and has not revealed any material adverse findings on the status of any members of the Target Group so far.
- (c) The Company has retained PRC legal advisers to prepare a legal opinion regarding the ownership and legality of the assets and operations underlying the Target Group. The legal opinion is still in draft form and has yet to be finalised.
- (d) The Company has retained Roma Oil and Mining Associates Limited ("**Roma**") to be the independent valuer of the Company for the Proposed Acquisition and to prepare the valuation report on the Target Mines in accordance with the VALMIN (2005) Code. The valuation report is still in draft form and has yet to be finalised.
- (e) The Company has retained Roma to be the independent technical adviser of the Company pursuant to the requirements under Chapter 18 of the Listing Rules and to prepare the technical report on the Target Mines in accordance with the JORC (2012) standard. The technical report is still in draft form and has yet to be finalised.

- (f) The Company has also retained legal advisers to prepare the transaction documents for the Proposed Acquisition including the binding sale and purchase agreement. Although the framework of the sale and purchase agreement is close to finalisation, certain legal and commercial terms relating to the Proposed Acquisition, including without limitation the actual proportions of consideration by way of cash, shares, convertible bonds and/or promissory notes, are still subject to further negotiation between the parties and have yet to be finalised.

Other than the extension of the Exclusivity Period, all the terms and conditions of the Memorandum of Understanding remains unchanged.

**Shareholders and potential investors of the Shares should note that the Proposed Acquisition may or may not materialize. Shareholders and investors should exercise caution in dealing with the securities of the Company.**

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

Hong Kong, 28 April 2014

*As at the date of this announcement, the Board of Directors 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