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## **HKC INTERNATIONAL HOLDINGS LIMITED**

**香港通訊國際控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 248)

### **ANNOUNCEMENT TERMINATION OF AGREEMENT**

This announcement is made by HKC International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

On 20 July 2011, Hong Kong Communications Company Limited (“**HKC**”), a wholly owned subsidiary of the Company, and Nokia (H.K.) Limited (“**Nokia**”) entered into a termination agreement, pursuant to which the supply of cellular mobile phones from Nokia shall be terminated and HKC shall be entitled to continue to distribute the cellular mobile phones from Nokia for 3 more months up to 19 October, 2011.

The Company and its subsidiaries (the “**Group**”) are principally engaged in the sale and distribution of mobile phones (“**Mobile Phone Business**”), provision of business solutions and property investments. The aforesaid termination with Nokia (the “**Termination**”) will have a significant negative impact on the Group’s Mobile Phone Business and hence the Group’s overall turnover and profit for the year ending 31 March 2012.

As a result of the Termination, the Group will divert its working capital from the Mobile Phone Business to the other existing businesses of the Group. It is proposed that the Group will open two to three shops for selling mobile phones, camera and other electronic products to grasp the opportunities brought by the mainland tourists. Also, the Group proposes to strengthen its research and development to enhance the features of self-developed home automation system and radio frequency identification application.

Further announcement will be made as and when appropriate in relation to the business developments of the Group. Shareholders and potential investors are advised to exercise caution in dealing with the shares of the Company.

By order of the Board  
**HKC International Holdings Limited**  
**Chan Chung Yee Hubert**  
*Chairman*

Hong Kong, 20 July 2011

*As at the date of this announcement, the Board comprises Mr. Chan Chung Yee, Hubert, Mr. Chan Chung Yin, Roy, Mr. Chan Man Min, Mr. Chan Ming Him, Denny, Mr. Wu Kwok Lam and Mr. Ip Man Hon as executive directors and Mr. Chu Chor Lup, Mr. Chiu Ngar Wing and Mr. Leung Tai Wai, David as independent non-executive directors.*

\* *For identification purpose only*