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

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 30)**

### **UPDATE ON THE PROGRESS OF THE MEMORANDUM OF UNDERSTANDING AND ESTABLISHMENT OF AN INDEPENDENT COMMITTEE**

#### **UPDATE ON THE PROGRESS OF THE MEMORANDUM OF UNDERSTANDING**

Reference is made to the Company's announcements dated 17 January and 28 April 2014 (the **"MOU Announcements"**) regarding the entering into of the Memorandum of Understanding with the Vendors in relation to the Possible Acquisition of the entire issued share capital and all shareholders' loans of Diamond Peak Inc. and the subsequent extension of the Exclusivity Period. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the MOU Announcements.

The Company wishes to announce that the Exclusivity Period (as extended pursuant to the Letter of Extension dated 17 April 2014) has already expired on 17 July 2014. Up to the date of this announcement, no further extension of the Exclusivity Period has been agreed between the Company and the Vendors. It is, however, the Company's current intention to continue the due diligence and the negotiation of the terms of the Proposed Acquisition with the view to the possible signing of the formal sale and purchase agreement.

**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.**

## ESTABLISHMENT OF AN INDEPENDENT COMMITTEE

Reference is made to the Company's holding announcement dated 17 July 2014 (the "**Holding Announcement**") in relation to the Investigation into the suspected offence(s) of Mr. Chen Jiasong by the ICAC. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Holding Announcement.

The Company wishes to update shareholders that subsequent to the Holding Announcement, the Board has resolved, on 22 July 2014, to set up an independent committee (the "**Independent Committee**"), comprising all Directors except Mr. Chen, to review the impact of the Investigation on the Company. Pending the results of the review by the Independent Committee, it was agreed by the Independent Committee and Mr. Chen that Mr. Chen's involvement in any negotiation of the Company's possible acquisitions (including the Proposed Acquisition under the Memorandum of Understanding) will be temporarily suspended.

As at the date of this announcement, the Investigation is still in process. The Company will make further announcement on any latest development of the Investigation as and when appropriate pursuant to the requirements of the Listing Rules.

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 1:00 p.m. on 10 July 2014 and will remain suspended pending further announcement.

By order of the Board of  
**ABC Communications (Holdings) Limited**  
**Cheung Wai Shing**  
*Executive Director & Company Secretary*

Hong Kong, 28 July 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