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中國全通(控股)有限公司

CHINA ALL ACCESS (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 633)

**(1) PROPOSED AMENDMENTS OF THE
TERMS AND CONDITIONS OF; AND
(2) EARLY REDEMPTION OF
CONVERTIBLE NOTES ISSUED TO
ASIA EQUITY VALUE LTD**

**DEED OF AMENDMENT RELATING TO THE TERMS AND CONDITIONS
OF THE CONVERTIBLE NOTES**

The Board hereby announces that on 24 June 2016 after trading hours, the Company, CAA BVI and AEV entered into the Deed of Amendment pursuant to which the parties thereto has agreed to amend certain terms and conditions of the Convertible Notes. Pursuant to the Deed of Amendment, the Convertible Notes will be changed from non-redeemable to redeemable prior to the Final Redemption Date.

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Notes amounts to HK\$227,500,000.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange and the Stock Exchange has granted its approval of the Amendment pursuant to the requirements under the Listing Rules.

EARLY REDEMPTION OF THE CONVERTIBLE NOTES

Following the entering into of the Deed of Amendment and the satisfaction of the conditions precedent to the Amendment, on 24 June 2016, the Company exercised the right of Early Redemption in accordance with the terms and conditions of the Deed of Amendment and completion of the Early Redemption took place on the same date. Upon completion of the Early Redemption, the Convertible Notes have been cancelled.

INTRODUCTION

References are made to the announcement of the Company dated 23 June 2014, 24 June 2014, 27 June 2014, 16 December 2014, 8 January 2015, 27 January 2015, 18 February 2015, 26 February 2015, 27 March 2015 and 6 July 2015 and the circular of the Company dated 2 February 2015 in relation to the Convertible Notes.

DEED OF AMENDMENT RELATING TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

The Board hereby announces that on 24 June 2016 after trading hours, the Company, CAA BVI and AEV entered into the Deed of Amendment pursuant to which the parties thereto has agreed to amend certain terms and conditions of the Convertible Notes. Pursuant to the Deed of Amendment, the Convertible Notes will be changed from non-redeemable to redeemable prior to the Final Redemption Date. Pursuant to the terms and conditions of the Convertible Notes, the Final Maturity Date of the Initial Notes and the Additional Notes shall be 27 September 2016 and 6 October 2017, respectively.

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Notes amounts to HK\$227,500,000. The accrued but unpaid interest up to 30 June 2016 amounts to HK\$3,203,125.

Details of the Deed of Amendment and the principal terms of the Convertible Notes upon the Amendment becoming effective are set out below:

Date:

24 June 2016

Parties:

- (1) the Company, as issuer;
- (2) CAA BVI, as guarantor; and

(3) AEV, as the sole Noteholder as at the date of this announcement

Principal terms of the Convertible Notes as amended by the Deed of Amendment

The Amendment is arrived at after arm's length negotiation between the Company, CAA BVI and AEV. Pursuant to the Deed of Amendment and the Amendment, the Convertible Notes will be changed from non-redeemable to redeemable prior to the Final Maturity Date. Apart from the Amendment, all other terms of the Convertible Notes will remain unchanged. Material terms of the Convertible Notes as amended pursuant to the Deed of Amendment are summarised as follows:

Issuer:	The Company
Aggregate outstanding principal amount:	As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Notes amounts to HK\$227,500,000.
Right of Early Redemption	Unless previously redeemed, converted or purchased and cancelled, the Company may, by giving written notice to the Noteholder(s) (the " Early Redemption Notice "), early redeem all of the then outstanding Convertible Notes on a date (i.e. the Early Redemption Date) specified in the Early Redemption Notice.
Consideration of Early Redemption	<p>HK\$270 million (which, for the avoidance of doubt, shall be inclusive of all outstanding principal, accrued but unpaid interest up to the Early Redemption Date and all other outstanding amounts (if any) payable under the Convertible Notes by the Company).</p> <p>The consideration of Early Redemption which shall be satisfied by:</p> <ul style="list-style-type: none">(i) the issue by the Company of a zero coupon Promissory Note to the relevant Noteholder(s) on the Early Redemption Date; and(ii) the execution of the Guarantee to be given by CAA BVI in favour of the Noteholder(s) on the Early Redemption Date guaranteeing the payment obligation of the Company pursuant to the Promissory Note. <p>Pursuant to the terms and conditions of the Promissory Notes, the Company shall pay the consideration to AEV in the following manner:</p>

- (a) HK\$20,000,000 shall be payable on 30 June 2016;
- (b) HK\$20,000,000 shall be payable on 1 August 2016;
- (c) HK\$20,000,000 shall be payable on 31 August 2016;
- (d) HK\$70,000,000 shall be payable on 30 September 2016;
- (e) HK\$70,000,000 shall be payable on 31 October 2016; and
- (f) HK\$70,000,000 shall be payable on 30 November 2016.

If any amount payable under the Promissory Note is not paid within five days of the above due date or is otherwise withheld, refused or delayed for any reason whatsoever (any such amount, an “**Unpaid Sum**”), the Company shall pay to AEV, on demand, interest (both before and after judgment) on the balance of the principal amount outstanding of the Convertible Notes, from the date of the Promissory Note to (but excluding) the day on which such Unpaid Sum is actually received by or on behalf of AEV at the rate equal to 18% per annum, calculated on a basis of a year of 360 days and actual days elapsed.

Guarantee to be given
by CAA BVI

CAA BVI shall irrevocably and unconditionally guarantees and promises to pay AEV upon demand, the principal amount outstanding of the Convertible Notes and all other amounts payable under the Promissory Note when due if the Company fails or is otherwise unable to pay punctually any amounts due in accordance with the Promissory Note.

CONDITIONS TO THE AMENDMENT

The Amendment is conditional upon the satisfaction of the following conditions:

- (i) the approval of the Amendment from the Stock Exchange having obtained, if required;
- (ii) the approval of the Amendments by the Shareholders at an extraordinary general meeting of the Company having obtained, if required; and

(iii) the execution of the amended and restated terms and conditions by the Company upon obtaining the approvals under paragraphs (i) and (ii) above.

If any of the conditions set out above is not fulfilled on or before 31 July 2016 (the “**Long Stop Date**”), the provisions of the Deed of Amendment shall from such date cease to have any further force and effect and none of the parties to the Deed of Amendment shall have any claim against each other.

For condition (i) above, the Company has applied to the Stock Exchange and the Stock Exchange has granted its approval of the Amendment pursuant to the requirements under the Listing Rules.

For condition (ii) above, no approval is required by the Shareholders for the Amendments under the articles of association of the Company or the Listing Rules.

AEV shall not exercise the conversion right attaching to any Convertible Notes from the date of the Deed of Amendment until the third business day after the Long Stop Date.

EARLY REDEMPTION OF THE CONVERTIBLE NOTES

Following the entering into of the Deed of Amendment and the satisfaction of the conditions precedent to the Amendment, on 24 June 2016, the Company exercised the right of Early Redemption in accordance with the terms and conditions of the Deed of Amendment and completion of the Early Redemption took place on the same date. Upon completion of the Early Redemption, the Convertible Notes have been cancelled. Pursuant to the terms and conditions of the Deed of Amendment, the Company has issued the Promissory Note to AEV and CAA BVI has executed the Guarantee in favour of AEV on 24 June 2016. The repayment of the Promissory Notes shall be funded by the internal resources of the Group.

GENERAL INFORMATION ON THE GROUP

The Group is principally engaged in provision of integrated information communication application solutions and services, and research and development and production of a wide spectrum of products and parts in the supply chain of various types of mobile terminals.

GENERAL INFORMATION ON AEV

AEV is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment activities. Based on the latest disclosure of interest notice filed by AEV on 11 January 2016 under Part XV of the Securities and Futures Ordinance, AEV was interested in the Shares and underlying Shares comprising of (1)

long position in 277,395,299 Shares, among which (i) 10,254,612 were Shares held by it, representing about 0.56% of the total number of issued Shares as of the date of this announcement; (ii) 254,190,945 Shares were in the form of derivative interests and (iii) 12,949,742 Shares were security interest; and (2) short position in 29,646,000 Shares comprised of derivative interests. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, AEV and its ultimate beneficial owners are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

REASONS FOR THE AMENDMENT AND THE EARLY REDEMPTION

The Amendment was arrived at after arm's length negotiation between the Company, CAA BVI and AEV. The Board considers that the terms and conditions of the Deed of Amendment are fair and reasonable, and the Amendment and the Early Redemption are in the interests of the Company and the Shareholders as a whole on the following basis:

- (i) the Amendment allows the Company the flexibility to redeem the Convertible Notes, whilst the current terms and conditions of the Convertible Notes do not allow for early redemption by the Company;

pursuant to the terms and conditions of the Convertible Notes, the Company may, at its option, to paid (i) in whole in cash, or (ii) in whole in Shares (the "**Repayment Shares**") or (iii) in a combination of cash and Shares for the quarterly redemption of the Convertible Notes on such repayment date as specified in the terms and conditions of the Convertible Notes. As disclosed in the table under the paragraph headed "Letter from the Board — 2. AEV Convertible Notes - Principal terms of the AEV Convertible Notes" on page 22 of the circular of the Company dated 2 February 2015, the Company does not intend to issue any Repayment Shares at any price substantially lower than the prevailing market price of the Shares from time to time;

considering that (i) the highest level of the volume weighted average price of the Share is HK\$3.70 for the past 52 weeks immediately before the date of the Deed of Amendment, which represents a premium of about 70.51% and 66.67% over the current conversion price of HK\$2.17 of the Initial Notes and HK\$2.22 of the Additional Notes, respectively, (ii) the closing price of HK\$2.23 per Share as quoted on the Stock Exchange on 24 June 2016, being the date of the Deed of Amendment, and (iii) the Directors' view on the prospects of the business of the Group, the Directors consider that it is not in the interest of the Company and the Shareholders to issue Repayment Shares nor for the Noteholder to exercise its conversion right. The Amendment, which would enable the Company to redeem all the outstanding principal, accrued but unpaid interest up to the Early

Redemption Date and all other outstanding amounts (if any) payable under the Convertible Notes by the Company at once, would also serve to restructure and simplify the portfolio of the Company's investors immediately upon the exercise of the right of Early Redemption by the Company;

- (ii) subject to the satisfaction of the conditions precedent to the Amendment and the exercise of the right of Early Redemption by the Company, the Early Redemption can lower the gearing ratio of the Company. Pursuant to the applicable financial reporting standards of the Company, the Convertible Notes is treated as liabilities with embedded financial derivative measured at fair value for each accounting period. Accordingly, the fair value of the embedded financial derivative of the Convertible Notes shall be evaluated based on various factors, including but not limited to its conversion price, market risk and market price of the Shares. As a result of the embedded financial derivative, the carrying value of the Convertible Notes may be higher than the outstanding principal. For example, for the year ended 31 December 2015, the Convertible Notes was recorded as a financial liability of approximately HK\$280 million in the financial statements of the Company whereas the outstanding principal of the Convertible Notes as at 31 December 2015 was approximately HK\$256 million. The fair value changes of the embedded derivative brought by the Convertible Notes can affect the financial results of the Group depending on various uncontrollable market factors taking into account for the evaluation. Therefore, the exercise of the right of Early Redemption can enable the Company to eliminate the uncertainty to the financial results of the Group and reduce the financial liabilities brought by the Convertible Notes immediately; and
- (iii) as a combined result of the factors above, the Early Redemption may help the Company to attract other long term investors with more favourable terms.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange and the Stock Exchange has granted its approval of the Amendment pursuant to the requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expression shall have the following meanings:

“Additional Notes”	the convertible notes issued by the Company in the principal amount of HK\$170,000,000 subscribed by AEV on 6 July 2015 pursuant to the terms and conditions of the Subscription Agreement
“AEV”	Asia Equity Value Ltd, a company incorporated in the British Virgin Islands with limited liability, being the subscriber named in the Subscription Agreement and the sole Noteholder as at the date of this announcement
“Amendment”	proposed amendment of certain terms and conditions of the Convertible Notes
“Board”	the board of Directors
“CAA BVI”	China All Access Group Limited (中國全通集團有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Company”	China All Access (Holdings) Limited (中國全通(控股)有限公司), a company incorporated under the law of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Convertible Notes”	the Initial Notes and the Additional Notes
“Deed of Amendment”	supplemental deed dated 24 June 2016 entered into between the Company, CAA BVI and AEV in relation to the Amendment
“Directors”	the directors of the Company
“Early Redemption”	redemption of the Convertible Notes prior to the Final Redemption Date pursuant to the terms and conditions of the Convertible Notes as amended by the Supplemental Deed
“Early Redemption Date”	date of the Early Redemption
“Final Redemption Date”	the date falling 27 months after the issue of the relevant Convertible Notes

“Group”	the Company and its subsidiaries
“Guarantee”	a guarantee to be given by CAA BVI in favour of the Noteholder(s) pursuant to the terms and conditions of the Convertible Notes as amended by the Supplemental Deed
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Notes”	the convertible notes issued by the Company in the principal amount of HK\$230,000,000 subscribed by AEV on 27 June 2014 pursuant to the terms and conditions of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholder(s)”	the holder(s) of the Convertible Notes
“Promissory Notes”	a zero coupon promissory note to be issued by the Company to the relevant Noteholder(s) pursuant to the terms and conditions of the Convertible Notes as amended by the Supplemental Deed
“Subscription Agreement”	the subscription agreement dated 23 June 2014 and entered into between the Company, CAA BVI and AEV in respect of the issue and subscription of the Convertible Notes
“Share(s)”	share(s) of HK\$0.01 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
China All Access (Holdings) Limited
Shao Kwok Keung
Chief Executive Officer

Hong Kong, 24 June 2016

As at the date of this announcement, the executive Directors are Mr. Chan Yuen Ming, Mr. Shao Kwok Keung, Mr. Xiu Zhi Bao, Mr. Yan Wei and Mr. Tian Zheng; and the independent non-executive Directors are Mr. Wong Che Man Eddy, Mr. Lam Kin Hung Patrick and Fung Ka Kin.