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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

CLARIFICATION ANNOUNCEMENT RELATING TO THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board (the “**Board**”) of directors (the “**Directors**”) of ABC Communications (Holdings) Limited (the “**Company**”) refers to the Company’s announcement dated 30 June 2015 (the “**Results Announcement**”) in relation to the final results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2015. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Results Announcement.

The purposes of this clarification announcement are to rectify one typographical error in the Results Announcement and to provide further information as to the basis for qualified opinion arising from the limitation of audit scope on the impairment assessment of technical knowhow.

TYPOGRAPHICAL ERROR ON PAGE 23

On page 23 of the Results Announcement, it was stated that: “*As at 31 March 2015, the Group had technical knowhow with carrying amount of HK\$30,000,000, net of accumulated impairment loss and accumulated amortisation of HK\$54,977,909 and HK\$25,067,042 respectively.*” The Company wishes to clarify that this sentence contains a typographical error in the figure of the carrying amount of the technical knowhow, which should be HK\$29,000,000 instead of HK\$30,000,000.

Save for the information disclosed above, all the details contained in the Results Announcement remain unchanged.

FURTHER INFORMATION ON THE BASIS FOR QUALIFIED OPINION

As a matter of background, the Results Announcement contains the following extract of independent auditor's report on the Company's consolidated financial statements for the year ended 31 March 2015: "*The directors of the Company had performed impairment assessment on the technical knowhow and had determined the recoverable amount based on value-in-use calculation with reference to the latest financial information available. However, we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to assess the recoverable amount of the technical knowhow. There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of the Group's technical knowhow as at 31 March 2015 and the impairment loss recognised for the year ended 31 March 2015 were free from material misstatement.*" Therefore, the auditor's opinion on the Company's consolidated financial statements for the year ended 31 March 2015 is qualified as a result of the limitation of audit scope on the impairment assessment of the technical knowhow.

During the process of preparation of the consolidated financial statements, the Company has retained an independent valuer to make an assessment on the fair value of the technical knowhow as at 31 March 2015. To enable the independent valuer to assess the fair value of the technical knowhow, the management of the Company has compiled a financial forecast on the commercial application of the technical knowhow and associated portable devices based on (a) a business plan on future marketing and promotion of the products; and (b) sales order(s) from potential customer(s).

Based on the Company's internal assessment, the following factors might have been taken into account in the qualified opinion arising from the limitation of scope on the impairment assessment of the technical knowhow: (i) the assumptions and parameters and the management's estimation under the current market and operation conditions, on the basis of which the financial forecast and the business plan are prepared, is not supported by publicly-available information, market research, analysis and/or studies on similar assets, transactions or products; (ii) the want of more details in the business plan provided by the Company's management on future marketing and promotion of the products and order solicitations; and (iii) the absence of track record information for the knowhow.

The Company considers that the lack of comparable market information and track record is resulted from the uniqueness of the technical knowhow of the Group and is beyond the Company's control. If and when the Company is required to make an impairment assessment on the technical knowhow again, it will conduct further research to see if there is any newly-published publicly-available information in relation to the Group's technical knowhow or similar assets, transactions or products.

By order of the Board
ABC Communications (Holdings) Limited
Chow Wang
Chairman

Hong Kong, 23 July 2015

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

Executive Directors:

Mr. Chow Wang (*Chairman*)

Mr. Cheung Wai Shing

Mr. Xu Jian Zhong

Non-executive Director:

Mr. Fong For

Independent Non-executive Directors:

Mr. Jiang Zhi

Mr. Leung Ka Kui, Johnny

Ms. Wong Chui San, Susan