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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ABC Communications (Holdings) Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS
AND
PROPOSED AMENDMENTS OF THE BYE-LAWS OF THE COMPANY**

A letter from the Board of Directors of ABC Communications (Holdings) Limited is set out on pages 1 to 6 of this circular.

A notice convening the annual general meeting of ABC Communications (Holdings) Limited to be held at Chater Room I, The Ritz Carlton Hotel, 3 Connaught Road Central, Hong Kong on 23rd August 2006 (Wednesday) at 10:00 a.m. is set out on pages 7 to 10 of this circular.

If you are not able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Share Registrars of ABC Communications (Holdings) Limited in Hong Kong, Computershare Hong Kong Investor Services Limited of Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

14th July 2006

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LETTER FROM THE BOARD



ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

Non-Executive Chairman:–

Mr. Tse Chi Hung, Michael

Executive Directors:–

Ms. Yeung Shuk Kwan, Patricia

Mr. George Joseph Ho

Mr. Joey Fan

Non-Executive Directors:–

Mr. George Ho, GBS, OBE, JP

Mr. Leung Kwok Kit, FCPA, CPA (Aust)

Mr. David Miao

Independent Non-Executive Directors:–

Mr. Fu Hau Chak, Adrian

Mr. Kwok Chi Hang, Lester, JP

Mr. Li Kwok Sing, Aubrey

Registered Office:–

Clarendon House,

2 Church Street

Hamilton HM11

Bermuda

Principal Office:–

2nd Floor Jade Mansion

40 Waterloo Road

Hong Kong

14th July 2006

To the shareholders

Dear Sirs,

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS
AND**

PROPOSED AMENDMENTS AND OF THE BYE-LAWS OF THE COMPANY

INTRODUCTION

This circular includes information required by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to be given to shareholders concerning (1) the proposed general mandates for the issue of shares and repurchase of fully-paid shares to be granted to the Directors of the Company; (2) the proposed re-election of Directors; and (3) the proposed amendments of the Bye-Laws of the Company to be approved by shareholders at the annual general meeting to be held on 23rd August 2006 (the “**AGM**”) of the Company.

LETTER FROM THE BOARD

EXERCISE OF THE SHARE ISSUE MANDATE

Resolution No. 6(1) set out in the notice of AGM (the “**AGM Notice**”) dated 14th July 2006 will, if passed, give a general unconditional mandate (the “**Share Issue Mandate**”) to the Directors authorizing the exercise by the Directors of the powers of the Company to allot additional shares of HK\$0.10 each in the capital of the Company (“**Shares**”). This authority would apply to up to 20% of the nominal amount of the share capital of the Company in issue at the date of the AGM and could be exercised at any time during the Relevant Period (as this term is defined in Resolution No. 6(1) set out in the AGM Notice).

EXERCISE OF THE REPURCHASE MANDATE

Resolutions No. 6(2) and 6(3) set out in the AGM Notice will, if passed, give a general unconditional mandate (the “**Repurchase Mandate**”) to the Directors authorizing the repurchase by the Company of up to 10% of the fully paid Shares in issue at the date of the AGM at any time during the Relevant Period (as this term is defined in Resolution No. 6(2) set out in the AGM Notice).

The Directors believe that these proposals, which are similar to those approved by shareholders in previous years, will provide the Board with a prudent measure of flexibility for them to act in the Company’s interests. The information set out below constitutes an Explanatory Statement (as defined in Rule 10.06 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) for the purpose of the Listing Rules:–

(1) Share Capital

Exercise in full of the Repurchase Mandate (on the basis of 466,886,000 Shares in issue as at 14th July 2006, being the latest practicable date (the “**Latest Practicable Date**”) prior to the printing of this circular) would result in up to 46,688,600 Shares being repurchased by the Company during the Relevant Period as defined in Resolution No. 6(2).

(2) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement in the value of the Shares and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

(3) Funding of Repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and Bye-laws of the Company. Such funds may include profits available for distribution and the proceeds of a fresh issue of Shares made for the purpose of the repurchases.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

(4) Share Price

The highest and lowest prices at which Shares have been traded on the Stock Exchange during each of the previous twelve months from 1st June 2005 were as follows:

	Traded Market Price	
	Highest HK\$	Lowest HK\$
2005		
June	0.76	0.69
July	0.81	0.74
August	0.80	0.62
September	0.66	0.62
October	0.66	0.63
November	0.67	0.63
December	0.69	0.61
2006		
January	0.64	0.58
February	0.68	0.59
March	0.73	0.59
April	0.69	0.63
May	0.66	0.58
June	0.63	0.50
July (3 July to 14th July 2006)	0.65	0.60

(5) Disclosure of Interests

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such Repurchase Mandate is approved by shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by shareholders.

(6) Hong Kong Code on Takeovers and Mergers

If as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a shareholder, or a group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code. Mr. George Ho and H.C.B.C. Enterprises Limited, in which Mr. Ho is deemed to be interested, already hold in aggregate 272,861,600 Shares, representing approximately 58.44% of the issued share capital of the

LETTER FROM THE BOARD

Company as at the Latest Practicable Date. The Directors are not aware of any such consequences which would arise under the Code as a consequence of any purchase pursuant to the Repurchase Mandate. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Directors, have such a consequence, the Directors would not exercise the mandate to such an extent.

In addition, assuming that the Repurchase Mandate is exercised in full, the share capital of the Company in issue will be reduced to 420,197,400 Shares (on the basis of 466,886,000 Shares in issue as at the Latest Practicable Date). Mr. Ho and H.C.B.C Enterprises Limited will hold in aggregate 272,861,600 Shares, representing approximately 65% of the issued share capital of the Company after the exercise of the Repurchase Mandate in full. As far as the Directors are aware, the full exercise of the Repurchase Mandate will not have any impact on the relevant minimum public shareholding requirements as stipulated in the Listing Rules.

(7) Repurchases made by the Company

The Company has not repurchased Shares (whether on the Stock Exchange or otherwise) in the six months up to the Latest Practicable Date.

BIOGRAPHICAL INFORMATION ON DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Michael Tse, Chairman, Ms. Patricia Yeung, Managing Director and Mr. George Ho, founder and currently a non-executive Director of the Company are retiring Directors who are subject to re-election at the forthcoming General Meeting.

Tse Chi Hung, Michael, aged 73, is the non-executive Chairman of the Group. He has been a director of ABC Communications Limited since 1971 and Managing Director of the Group from October 1984 to September 1998. Mr. Tse is a non-executive director of Hong Kong Commercial Broadcasting Company, Limited and H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part XV of the Securities and Futures Ordinance in the Company. Mr. Tse is entitled to an annual remuneration of \$384,000 and a director's fee determined by the Board as authorized by shareholders at the Annual General Meeting for his time and attention to the business activities of the Group. His service agreement has no fixed term and is determinable by either side on three months' notice. Mr. Tse will however be subject to rotational retirement as a Director no later than the Annual General Meeting held in 2009. Mr. Tse is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Mr. Tse has beneficial interests in 9,204,006 shares (representing 1.97% of the outstanding shares) of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Yeung Shuk Kwan, Patricia aged 56, has been a Director of the Group since 1977. She is currently Managing Director of the Group and Company Secretary of the Company. She holds a Bachelor of Arts degree from the University of Hong Kong and is also a Chartered Secretary. Ms. Yeung is entitled to an annual remuneration of \$1,200,000 and a Director's fee determined by the Board of Directors as authorized by shareholders at the Annual General Meeting. Her service agreement has no fixed term and is determinable by either side on three months' notice. She however will be subject to rotational retirement as a Director no later than the Annual General Meeting held in 2009. She is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Ms. Yeung has beneficial interests in 6,450,000 shares (representing 1.38% of the outstanding shares) of the Company within the meaning of Part XV of the Securities and Futures Ordinance. She also holds 2,000,000 options on the Company's shares (valid till 22 February 2010) at an exercise price of HK\$1.41 each.

LETTER FROM THE BOARD

George Ho, GBS, OBE, JP, aged 87, is the founder and currently non-executive Director of the Group. Mr. Ho is the Honorary Chairman of Hong Kong Commercial Broadcasting Company, Limited and Chairman of H.C.B.C. Enterprises Limited. He has over 40 years' experience in the broadcasting and telecommunications fields. Mr. Ho has no service agreement with the Company. Under the Company's revised Bye-Laws, Mr. Ho will be subject to rotational retirement no later than the Annual General Meeting held in 2009. Mr. Ho is entitled to a director's fee, the amount of which is to be determined by the Board of Directors as authorized by the shareholders at the Annual General Meeting. Mr. Ho is the father of Mr. George Joseph Ho, an Executive Director of the Group. He is deemed to be beneficially interested in an aggregate of 272,861,600 shares (or 58.44% of the outstanding shareholders) of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there are no other matters relating to any of the above Directors proposed for re-election that need to be brought to the attention of shareholders of the Company. There is also no information relating to the above Directors that requires disclosure pursuant to any of the requirements of rule 13.51(2)(h) to (v).

PROPOSED AMENDMENTS OF THE BYE-LAWS OF THE COMPANY

The Directors propose to amend the Bye-Laws of the Company to reflect certain of the code provisions specified in the Code of Corporate Governance and Practices (the "CG Code") in Appendix 14 to the Listing Rules. In addition, it is proposed that the Bye-laws be further amended to expressly require voting by way of a poll if required under the Listing Rules and to provide for directors' voluntary retirement.

The following is a summary of the major proposed amendments to the existing Bye-Laws of the Company:

- (i) Bye-law 70 will be amended to provide for voting by way of a poll if required by the Listing Rules.
- (ii) Pursuant to Code Provision A4.2, every director, including the Chairman and the Managing Director, should be subject to retirement by rotation at least once every three years. Accordingly, Bye-law 103, 107 and 112(B) will be amended to comply with this Code Provision.
- (iii) Bye-law 104 will be amended to allow for directors' voluntary retirement which is not a requirement in the CG Code.

Details of the amendments are set out in item 7 of the Notice.

LETTER FROM THE BOARD

PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to Bye-law 70 of the Company's Bye-laws, every question submitted to a general meeting shall be determined in the first instance by a show of hands of the members present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:—

- (a) not less than three members present in person or by proxy having the right to vote at the meeting; or
- (b) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (c) a member or members present in person or by proxy holding Shares conferring a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

ANNUAL GENERAL MEETING

The AGM Notice is being despatched to shareholders together with this circular and the Company's 2005/2006 Annual Report.

A form of proxy for use at the AGM is enclosed with the Company's 2005/2006 Annual Report. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's Share Registrars in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

RECOMMENDATION

The Directors believe that the Share Issue Mandate, the Repurchase Mandate, the proposed amendments of the Bye-laws of the Company and the proposed Re-election of Directors are in the interests of the Company and the shareholders of the Company as a whole. Accordingly, the Directors recommend that all shareholders should vote in favour of the relevant Resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
ABC Communications (Holdings) Limited
Patricia Yeung
Managing Director

NOTICE OF AGM



ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of ABC Communications (Holdings) Limited (the “**Company**”) will be held at Chater Room I, The Ritz Carlton Hotel, 3 Connaught Road Central, Hong Kong on 23rd August 2006 (Wednesday) at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions:

1. To receive the audited Statements of Accounts and Reports of the Directors and Auditors for the financial year ended 31st March 2006;
2. To declare a final dividend;
3. To re-elect Directors;
4. To re-appoint auditors and to fix their remuneration.

As special business to consider and, if thought fit, pass the following Resolutions as Ordinary Resolutions:–

5. “**THAT** for the period up until the next annual general meeting each of the Directors is authorised to be paid a director’s fee of such sum not exceeding HK\$50,000 as the board of Directors shall determine.”
6. (Please read Note 4)
 - (1) “**THAT**:–
 - a) the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company, including making and granting offers, agreements and options which would or might require shares to be allotted, issued or dealt with whether during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of, any recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional shares allotted, issued or dealt with, (including shares agreed conditionally or unconditionally to be allotted, issued or dealt with, whether pursuant to an option or otherwise) shall not in aggregate exceed 20 per cent of the nominal amount of the share capital of the Company in issue at the date of this Resolution;

NOTICE OF AGM

- b) for the purpose of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–

- i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the bye-laws of the Company (the “**Bye-laws**”) to be held; and
 - iii. the revocation or variation of the authority given under this Resolution by way of Ordinary Resolution of the shareholders of the Company in general meeting; and
- c) the authority contained in this Resolution shall replace the similar authority granted at the general meeting of the Company held on 16th August 2005.”

- (2) “**THAT**:–

- a) there be granted to the Directors of the Company an unconditional general mandate to repurchase shares in the capital of the Company, and that the exercise by the Directors of the Company of all powers of the Company to purchase shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:–
- i. such mandate shall not extend beyond the Relevant Period;
 - ii. such mandate shall authorise the Directors of the Company to procure the Company to repurchase shares at such prices as the Directors of the Company may at their discretion determine;
 - iii. the aggregate nominal amount of the shares repurchased by the Company pursuant to this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
- b) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–
- i. the conclusion of the next annual general meeting of the Company; and
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-laws to be held; and
 - iii. the revocation or variation of this Resolution by an Ordinary Resolution of the shareholders of the Company in general meeting.

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- c) the authority contained in this Resolution shall replace the similar authority granted at the general meeting of the Company held on 16th August 2005.”

(3) **“THAT:—**

conditional upon the passing of Resolutions No. 6(1) and 6(2) as set out in the Notice convening this Meeting, the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 6(2) above shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to and in accordance with Resolution No. 6(1).”

7. By way of special business, to consider, and if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

“THAT the bye-laws of the Company be amended by:

- (a) deleting the words “, but a poll may be demanded” in the second line of Bye-law 70 and replacing therewith “unless voting by way of poll is required by the rules of the Designated Stock Exchange or a poll is demanded” and deleting the full-stop at the end of sub-paragraph (iii) of Bye-law 70 and replacing therewith a semicolon and the word “or” and inserting the following new sub-paragraph (iv) of Bye-law 70:

“(iv) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

- (b) deleting the existing Bye-Law 103 in its entirety and substituting it with the following new Bye-Law 103:

103 At the annual general meeting in each year one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation provided that every Director shall retire from office no later than the third annual general meeting after he was last elected or appointed. A retiring Director shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.

- (c) deleting the existing Bye-Law 104 in its entirety and substituting it with the following new Bye-Law 104:

104 Subject to the provisions of the Statutes and unless otherwise determined by the Company by Ordinary Resolution, the Directors to retire in every year shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

NOTICE OF AGM

- (d) deleting the words “, and may also determine in what rotation such increased number is to retire from office” in its entirety after the words “for effecting any such increase” in the second line in Bye-Law 107.

- (e) deleting the following last sentence in Bye-Law 112(B) its entirety:

“Subject to the Statutes, a Director appointed as an executive Chairman or as Managing or Joint Managing Director shall not while holding such office be subject to retirement by rotation or taken into account in determining the rotation of retirement of Directors””

By Order of the Board
Patricia Yeung Shuk Kwan
Secretary

Hong Kong, 14th July 2006

Registered Office:–
Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:–
2nd Floor Jade Mansion
40 Waterloo Road
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, under which it is signed or a notorially certified copy of that power of attorney or authority, must be deposited at the Company's principal place of business at 2nd Floor, Jade Mansion, 40 Waterloo Road, Yaumatei, Hong Kong at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from 14th August 2006 (Monday) to 17th August 2006 (Thursday), both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 11th August 2006 (Friday).
4. With regard to the Ordinary Resolutions referred to in agenda items 6 (1) and 6(2), approval is being sought from the shareholders for a general mandate to (a) allot shares of the Company and (b) re-purchase shares up to the relevant 20 per cent and 10 per cent limits. These authorities are sought in order that the Directors might take advantage of any relevant circumstances but the Directors have no immediate plans to issue any new shares of the Company or re-purchase any shares of the Company pursuant to such mandates.
5. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

As at the date hereof, the board of Directors of the Company comprises Mr. George Joseph Ho, Mr. Joey Fan and Ms. Yeung Shuk Kwan, Patricia as Executive Directors, and Mr. Tse Chi Hung, Michael, Mr. George Ho, Mr. Fu Hau Chak, Adrian*, Mr. Leung Kwok Kit, Mr. Li Kwok Sing, Aubrey*, Mr. Kwok Chi Hang, Lester* and Mr. David Miao as Non-Executive Directors.

* *independent non-executive Directors*