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Telecom Digital Holdings Limited
電訊數碼控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6033)

CONTINUING CONNECTED TRANSACTIONS
(1) REVISION OF ANNUAL CAP FOR THE TRANSACTIONS
WITH SUN ASIA GROUP; AND (2) SURRENDER AGREEMENT

REVISION OF ANNUAL CAP FOR THE TRANSACTIONS WITH SUN ASIA GROUP

Reference is made to the announcement of the Company dated 28 March 2024, in which it was announced, among other things, that the existing annual caps for the transactions with Sun Asia Group is fixed based on the aggregate annual fees and the amount of goods to be purchased or sold for respective transactions for the year ending 31 March 2025 to HK\$10,860,000.

On 25 September 2024, the Group has an additional transaction with Sun Asia Group which leasing of a property by Onbo to TKS. The Board expects that the existing annual cap for the transactions with Sun Asia Group for the year ending 31 March 2025 will be insufficient, and has therefore resolved to revise the relevant annual cap.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TKS is a wholly-owned subsidiary of Sun Asia, and Sun Asia is indirectly wholly-owned by the Cheung Brothers (the beneficiary of the KW Cheung Family Trust), which indirectly holds 54.49% of the issued share capital of the Company. Therefore, TKS is an associate of the Cheung Brothers and thus a connected person of the Company. Accordingly, the additional transaction with Sun Asia Group constitutes continuing connected transactions for the Company, which is required to be aggregated with the transactions with Sun Asia Group, under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the revised annual cap for the transactions with Sun Asia Group for the year ending 31 March 2025 are less than 5% but more than HK\$3,000,000, the revised annual cap is subject to the announcement, annual review and reporting requirements, but exempt from the circular (include independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SURRENDER AGREEMENT

Reference is made to the announcement of the Company dated 28 March 2024 in relation to the 2024/25 Licence Agreements entered into between East-Asia Group and the Group in which setting out the terms and conditions for leasing of car parking spaces for a term up to 31 March 2025.

On 25 September 2024, TDS has entered into the Surrender Agreement with GIL to surrender the Surrendered Carparking Space under the 2024/25 Licence Agreements. In accordance with the terms and conditions of the Surrender Agreement, TDS shall surrender the Surrendered Carparking Space under the 2024/25 Licence Agreements to GIL on 30 September 2024, the tenancy of the Surrendered Carparking Space shall be absolutely ceased and terminated, and both parties shall release with each other from all liabilities and obligations regarding to the Surrendered Carparking Space thereof.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GIL is a wholly-owned subsidiary of East-Asia, and East-Asia is indirectly wholly-owned by the KW Cheung Family Trust which indirectly holds 54.49% of the issued shares of the Company. As such, GIL is a connected person of the Company under the Listing Rules and the Surrender Agreement constitutes continuing connected transaction for the Company. Accordingly, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the revised aggregate annual fees with East-Asia Group are less than 5% but the revised aggregate annual fees are more than HK\$3,000,000, the revised aggregate annual fees for the transactions with East-Asia Group are subject to the announcement, annual review and reporting requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

REVISION OF ANNUAL CAP FOR THE TRANSACTIONS WITH SUN ASIA GROUP

Reference is made to the announcement of the Company dated 28 March 2024, in which it was announced, among other things, that the existing annual caps for the transactions with Sun Asia Group is fixed based on the aggregate annual fees and the amount of goods to be purchased or sold for respective transactions for the year ending 31 March 2025 to HK\$10,860,000.

On 25 September 2024, the Group has an additional transaction with Sun Asia Group which leasing of a property by Onbo to TKS. The Board expects that the existing annual cap for the transactions with Sun Asia Group for the year ending 31 March 2025 will be insufficient, and has therefore resolved to revise the relevant annual cap.

Leasing of a property by Onbo to TKS

On 25 September 2024, Onbo as landlord, entered into the Tenancy Agreement with TKS as tenant, in relation to the Property. The rental was determined by both parties through negotiation with reference to the prevailing market rent of similar properties in nearby location. The annual cap for the year ending 31 March 2025 is fixed to HK\$135,000. The principle terms of the Tenancy Agreement is set out below:

Address	Tenant	Landlord	Usage	Term	Monthly rent HK\$
Unit 1202, 12/F, Telecom Digital Tower, 58 Tsun Yip Street, Kwun Tong, Kowloon	TKS	Onbo	Office	1 October 2024 - 31 March 2025	22,490

Revised annual cap for the transactions with Sun Asia Group

The additional transaction involves TKS with the Group, the aggregate annual fees payable/receivable by the Group for the transactions with Sun Asia Group will be increased. It is expected that the existing annual cap is insufficient for the series of transactions with Sun Asia Group for the year ending 31 March 2025. Therefore, the Board resolved to revise the existing annual cap for the transactions with Sun Asia Group to HK\$10,995,000 for the year ending 31 March 2025. The revision of annual cap which increase the existing annual cap by the anticipated additional amounts payable from TKS to Onbo respectively.

Reasons and benefits of the additional transaction with Sun Asia Group

Onbo is a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company, which is principally engaged in property investment and being the registered owner of the Property. The additional transaction with Sun Asia Group is arrived at after arm's length negotiation and is on normal commercial terms. The rental under the Tenancy Agreement was determined with reference to the prevailing market rent of similar properties in the nearby locations. The Group will receive the monthly rental in accordance with the Tenancy Agreement, and in the same manner as the tenancy agreements with independent third parties.

The Directors (except the Cheung Brothers who have material interest in the transactions with Sun Asia Group and who abstained from participating in the approval of the relevant Board resolutions due to conflict of interests), including the independent non-executive Directors, are of the view that the additional transaction with Sun Asia Group and revision of annual cap are in the ordinary and usual course of business of the Company, and that the transactions with Sun Asia Group including the revision of annual caps are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, TKS is a wholly-owned subsidiary of Sun Asia, and Sun Asia is indirectly wholly-owned by the Cheung Brothers (the beneficiary of the KW Cheung Family Trust), which indirectly holds 54.49% of the issued share capital of the Company. Therefore, TKS is an associate of the Cheung Brothers and thus a connected person of the Company. Accordingly, the additional transaction with Sun Asia Group constitutes continuing connected transactions for the Company, which is required to be aggregated with the transactions with Sun Asia Group, under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the revised annual cap for the transactions with Sun Asia Group for the year ending 31 March 2025 are less than 5% but more than HK\$3,000,000, the revised annual cap is subject to the announcement, annual review and reporting requirements, but exempt from the circular (include independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SURRENDER AGREEMENT

Reference is made to the announcement of the Company dated 28 March 2024 in relation to the 2024/25 Licence Agreements entered into between East-Asia Group and the Group in which setting out the terms and conditions for leasing of car parking spaces for a term up to 31 March 2025.

On 25 September 2024, TDS has entered into the Surrender Agreement with GIL to surrender the Surrendered Carparking Space under the 2024/25 Licence Agreements. In accordance with the terms and conditions of the Surrender Agreement, TDS shall surrender the Surrendered Carparking Space under the 2024/25 Licence Agreements to GIL on 30 September 2024, the tenancy of the Surrendered Carparking Space shall be absolutely ceased and terminated, and both parties shall release with each other from all liabilities and obligations regarding to the Surrendered Carparking Space thereof.

Details of the tenancy of the Surrendered Carparking Space under the Surrender Agreement is as follows:

Address	Licensee	Licensor	Usage	Term	Monthly licence fee HK\$
Carparking Space No. 7 on 2/F. of YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	TDS	GIL	Carparking space	1 April 2024 - 31 March 2025 <i>(licence to be terminated on 25 September 2024)</i>	3,800

TRANSACTIONS WITH EAST-ASIA GROUP

Details of the 2024/25 Tenancy Agreements and 2024/25 Licence Agreements after entering into the Surrender Agreement:

(A) 2024/25 Tenancy Agreements

Property	Address	Tenant	Landlord	Usage	Term	Monthly rent HK\$
1	Shop G5, G/F., Commercial Podium Sincere House, 83 Argyle Street, Kowloon	TDS	GEL	Shop	1 April 2024– 31 March 2025	155,000
2	Room 3601 and Portion B of 3612, 36/F, Tower 2, Metroplaza, Kwai Fong, New Territories	TDS	GEL	Office	1 April 2024– 31 March 2025	83,300
3	Unit C, 10/F, YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon	TDS	GEL	Office	1 April 2024– 30 September 2024	40,274
4	Unit D, 10/F, YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay, Kowloon	TDS	GIL	Office	1 April 2024– 30 September 2024	46,176

Property	Address	Tenant	Landlord	Usage	Term	Monthly rent HK\$
5	Shop A4, G/F., Kam Wah Mansion, No. 226-242 Cheung Sha Wan Road, Kowloon	TDS	SCL	Shop	1 April 2024– 31 March 2025	98,000
6	Portion of Shop 4, G/F., 93 Lion Rock Road, Kowloon City, Kowloon	TDS	SCL	Shop	1 April 2024– 31 March 2025	53,500
7	19/F., YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay, Kowloon	TDS	SCL	Office	1 April 2024– 30 September 2024	325,728
8	Roof Level of Ho King Commercial Centre, 2-16 Fa Yuen Street, Mong Kok, Kowloon	CTL	TPIL	Cell site	1 April 2024– 31 March 2025	2,800
9	Unit A025, 1/F., Nan Fung Centre, 264-298 Castle Peak Road, Tsuen Wan, New Territories	TDS	TPIL	Shop	1 April 2024– 31 March 2025	98,000
10	Shop C28 & C29, 1/F., Kingswood Richly Plaza, 1 Tin Wu Road, New Territories	TDS	TPIL	Shop	1 April 2024– 31 March 2025	77,000
11	Shop 6, Wing Light Building, 68-76 Castle Peak Road, Yuen Long, New Territories	TDS	TSL	Shop	1 April 2024– 31 March 2025	98,000
12	Portion A of Ground Floor, Cheong K. Building, 84-86 Des Voeux Road Central, Hong Kong	TDS	SCL	Shop	1 April 2024– 31 March 2025	72,000
13	Unit 1801 to Unit 1809 and Unit 1812 to Unit 1820, Shen Rong Building, No.1045 Fuqiang Road, Futian District, Shenzhen City, The People's Republic of China	TDM	Marina	Customer service center and IT support office	1 April 2024– 31 March 2025	105,000
14	Roof Level of Flat E on 22/F., Block 5, Hong Kong Garden, 101 Castle Peak Road, Tsing Lung Tau, New Territories	CTL	TSL	Cell site	1 April 2024– 31 March 2025	2,800

(B) 2024/25 Licence Agreements

Car-Parking Space	Address	Licensee	Licensor	Usage	Term	Monthly licence fee HK\$
1	Carparking Space Nos. 5 and 6 on 2/F. of YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	TDS	GIL	Carparking space	1 April 2024– 31 March 2025	7,600
2	Carparking Space Nos. 45, 46, 47, 48 and 49 on 2/F. of YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	TDS	GEL	Carparking space	1 April 2024– 31 March 2025	19,000

Revised annual cap for the transactions with East-Asia Group

Reference is made to the announcement of the Company dated 28 March 2024 in relation to the continuing connected transactions of the Company. The annual cap for the above-mentioned transactions with East-Asia Group was HK\$12,983,000 for the year ending 31 March 2025.

After entering into the Surrender Agreement, it is expected that the revised aggregate annual fees to be paid/payable for the transactions with the East-Asia Group for the year ending 31 March 2025 will be decreased to not exceed HK\$12,960,000. For the purpose of compliance with the Listing Rules, the revised aggregate annual fee is treated as the annual cap of the transactions with East-Asia Group for the year ending 31 March 2025.

Reason and benefit for entering into Surrender Agreement

The Group is currently using the office located at YHC Tower as headquarter and planned to remove to another location. Therefore, the Group decided to cease the Surrendered Carparking Space on 25 September 2024. After entered into the Surrender Agreement, the Group would maintain the remaining section under the 2024/25 Tenancy Agreements and 2024/25 Licence Agreements unchanged. The Surrender Agreement was entered to the Surrendered Carparking Space.

The terms of the Surrender Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The Directors (except the Cheung Brothers being the Directors who have material interests in the Surrender Agreement and who abstained from participating in the approval of the relevant Board resolutions due to conflict of interest), including the independent nonexecutive Directors, considered that the terms of the Surrender Agreement are fair and reasonable and the Surrender Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, GIL is a wholly-owned subsidiary of East-Asia, and East-Asia is indirectly wholly-owned by the KW Cheung Family Trust which indirectly holds 54.49% of the issued shares of the Company. As such, GIL is a connected person of the Company under the Listing Rules and the Surrender Agreement constitutes continuing connected transaction for the Company. Accordingly, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the revised aggregate annual fees with East-Asia Group are less than 5% but the revised aggregate annual fees are more than HK\$3,000,000, the revised aggregate annual fees for the transactions with East-Asia Group are subject to the announcement, annual review and reporting requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is listed on Main Board of the Stock Exchange. The Group is principally engaged in the telecommunications and related business in Hong Kong, including (i) product business: sales of electronic devices, other consumer goods and related services; (ii) operation services: provision of operation services to Sun Mobile Limited, an associate owned as to 40% by the Group and as to 60% by HKT Limited; (iii) property investments in Hong Kong; and (iv) other segments: comprises mainly provision of paging and other communication services.

East-Asia, an investment holding company, is indirectly wholly-owned by the KW Cheung Family Trust which indirectly holds 54.49% of the issued share capital of the Company. Therefore, East-Asia is a connected person of the Company.

Sun Asia, an investment holding company, is indirectly wholly-owned by the Cheung Brothers who are the beneficiary of the KW Cheung Family Trust which indirectly holds 54.49% of the issued share capital of the Company. Therefore, Sun Asia is a connected person of the Company.

TKS, a wholly-owned subsidiary of Sun Asia, is a licensed corporation under the Hong Kong Securities and Futures Ordinance and is licensed for dealing in securities and futures contracts. The principal activities of TKS are provision of securities and futures contracts dealing agency service.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Cheung Brothers”	Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby and CHEUNG King Fung Sunny
“KW Cheung Family Trust”	a discretionary trust established for the benefit of the Cheung Brothers and their family members
“Company”	Telecom Digital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6033)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“GIL”	Glossy Investment Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by East-Asia which is indirectly wholly-owned by the KW Cheung Family Trust, and thus a connected person of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Onbo”	Onbo International Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Property”	Unit 1202, 12/F, Telecom Digital Tower, 58 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“Sun Asia”	Sun Asia Pacific Limited, a company incorporated in the British Virgin Islands with limited liability, which is ultimately owned by the Cheung Brothers who are the beneficiary of the KW Cheung Family Trust and thus a connected person of the Company
“Sun Asia Group”	Sun Asia and its subsidiaries
“Surrender Agreement”	the surrender agreement dated 25 September 2024 entered into between TDS and GIL in relation to the surrender of the Surrendered Carparking Space
“Surrendered Carparking Space”	the carparking space no. 7 on 2/F. of YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong
“TDS”	Telecom Digital Services Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“TKS”	Telecom King Securities Limited, a company incorporated in Hong Kong and wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers who are the beneficiary of the KW Cheung Family Trust and thus a connected person of the Company

“Tenancy Agreement” the tenancy agreement dated 25 September 2024 entered into between TKS and Onbo in respect of the tenancy for the Property

“%” per cent

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

By Order of the Board
Telecom Digital Holdings Limited
CHEUNG King Shek
Chairman

Hong Kong, 25 September 2024

As at the date of this announcement, the executive Directors are Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby, CHEUNG King Fung Sunny, WONG Wai Man and Ms. MOK Ngan Chu, and the independent non-executive Directors are Messrs. LAM Yu Lung, LAU Hing Wah and LO Kam Wing.

The English text of this announcement shall prevail over the Chinese text in case of inconsistencies.