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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 SURRENDER AGREEMENTS

SURRENDER AGREEMENTS

Reference is made to the announcements of the Company dated 28 March 2024, 25 September 2024 and 2 October 2024, in relation to the 2024/25 Tenancy Agreements and 2024/25 Licence Agreements, entered into between East-Asia Group and the Group, in which setting out the terms and conditions for leasing of the properties and the car parking spaces for a term up to 31 March 2025. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the announcements of the above-mentioned.

On 24 December 2024, the Group has entered into the Surrender Agreements with GIL and GEL to surrender all of the carparking spaces under 2024/25 Licence Agreements. In accordance with the terms and conditions of the Surrender Agreements, TDS shall surrender all of the carparking spaces under the 2024/25 Licence Agreements to GIL and GEL on 31 December 2024, the 2024/25 Licence Agreements shall be absolutely ceased and terminated, all parties shall release with each other from all liabilities and obligations regarding to the Surrender Agreements thereof.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GIL and GEL are wholly-owned subsidiaries of East-Asia, and East-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, GIL and GEL are connected person of the Company under the Listing Rules and the Surrender Agreements 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.

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Details of the Surrender Agreements are as follows:

2024/25 Licence Agreements

Car-Parking Space	Address	Licensee	Licensor	Usage	Term	Monthly licence fee HK\$
1	Carparking Spaces 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 <i>(licence to be terminated on 31 December 2024)</i>	7,600
2	Carparking Spaces 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 <i>(licence to be terminated on 31 December 2024)</i>	19,000

TRANSACTIONS WITH EAST-ASIA GROUP

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

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	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
4	Portion of Shop 4, G/F., 93 Lion Rock Road, Kowloon City, Kowloon	TDS	SCL	Shop	1 April 2024– 31 March 2025	53,500
5	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
6	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
7	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
8	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
9	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

10	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
11	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

Revised annual cap for the transactions with East-Asia Group

Reference is made to the announcements of the Company dated 28 March 2024, 25 September 2024 and 2 October 2024, in relation to the continuing connected transactions with East-Asia Group and the revised annual cap for the year ending 31 March 2025 fixed to HK\$12,960,000. After entering into the Surrender Agreements, 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\$12,881,000. 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 Agreements

The Group previously used the office located at YHC Tower as headquarter and removed to Telecom Digital Tower, as such, the Group decided to cease and terminate all of the carparking spaces at YHC Tower on 31 December 2024. After entered into the Surrender Agreements, the Group would maintain the remaining section under the 2024/25 Tenancy Agreements unchanged. The Surrender Agreements was entered to surrender all of the carparking spaces under 2024/25 Licence Agreement.

The terms of the Surrender Agreements 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 Agreements and who abstained from participating in the approval of the relevant Board resolutions due to conflict of interest), including the independent non-executive Directors, considered that the terms of the Surrender Agreements are fair and reasonable and the Surrender Agreements 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.

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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.

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
“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
“GEL”	Glossy Enterprises 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
“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 People’s Republic of China
“KW Cheung Family Trust”	a discretionary trust established for the benefit of the Cheung Brothers and their family members
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“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)
“Surrender Agreements”	the surrender agreements dated 24 December 2024 entered into between TDS, GEL and GIL in relation to the surrender all of the carparking spaces under 2024/25 Licence Agreement
“TDS”	Telecom Digital Services Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“%”	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, 24 December 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.