

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 26 May 2014 (the “Prospectus”) issued by Telecom Digital Holdings Limited (the “Company”).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



## Telecom Digital Holdings Limited

電訊數碼控股有限公司

(incorporated in the Cayman Islands with limited liability)

### LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 100,000,000 Shares (subject to the  
Over-allotment Option)

Placing Price : HK\$1.00 per Placing Share (payable in full  
on application, plus brokerage of 1%,  
SFC transaction levy of 0.003% and  
Stock Exchange trading fee of 0.005%)

Nominal Value : HK\$0.01 per Share

Stock Code : 8336

Sole Sponsor



Guotai Junan Capital Limited

Sole Bookrunner and Sole Lead Manager



Guotai Junan Securities (Hong Kong) Limited

Co-Lead Manager



Telecom Digital Securities Limited

- The Placing Price is HK\$1.00 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%).
- The net proceeds of the Placing after deducting the underwriting commissions and other related expenses in relation to the Placing and Listing are estimated to be approximately HK\$77.7 million (assuming the Over-allotment Option is not exercised).
- The 100,000,000 Placing Shares offered by the Company under the Placing were moderately over-subscribed.
- As at the date of this announcement, the Over-allotment Option has not been exercised. In the event the Over-allotment Option is exercised, an announcement will be made at the Company's website at [www.telecomdigital.cc](http://www.telecomdigital.cc) and the GEM Website.
- Pursuant to the Placing, 100,000,000 Placing Shares have been conditionally allocated to a total of 143 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders or substantial shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing.
- The Directors confirm that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 30 May 2014.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING PRICE AND USE OF PROCEEDS**

The Placing Price is HK\$1.00 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds of the Placing after deducting the underwriting commission and other related expenses in relation to the Placing and the Listing are estimated to be approximately HK\$77.7 million. The Directors intend to apply the net proceeds of the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus as follows:

- approximately 12.9% of the net proceeds, or approximately HK\$10.0 million, for expansion of the Group’s shop network and opening of flagship stores to strengthen the Group’s business of retail sales of mobile phones;
- approximately 72.1% of the net proceeds, or approximately HK\$56.0 million, for expansion of the Group’s head office and logistics vehicle fleet to cope with the Group’s growth of business;
- approximately 6.4% of the net proceeds, or approximately HK\$5.0 million, for implementation of an ERP system to enhance management capacity and efficiency; and
- approximately 8.6% of the net proceeds, or approximately HK\$6.7 million, for general working capital purposes.

## **LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING**

The 100,000,000 Placing Shares offered by the Company under the Placing were moderately over-subscribed.

As at the date of this announcement, the Over-allotment Option has not been exercised. In the event the Over-allotment Option is exercised, an announcement will be made at the Company’s website at [www.telecomdigital.cc](http://www.telecomdigital.cc) and the GEM Website.

## RESULTS OF ALLOCATION

Pursuant to the Placing, 100,000,000 Placing Shares have been conditionally allocated to a total of 143 selected professional, institutional and other investors. The distribution of the Placing Shares is set out below:

	<b>Aggregate number of Placing Shares allocated</b>	<b>Approximate percentage of the total number of Placing Shares allocated (assuming the Over-allotment Option is not exercised)</b>	<b>Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing (assuming the Over-allotment Option is not exercised)</b>
Top placee	10,620,000	10.62%	2.66%
Top 5 placees	46,620,000	46.62%	11.66%
Top 10 placees	70,500,000	70.50%	17.63%
Top 25 placees	89,028,000	89.03%	22.26%

### Number of Placing Shares allocated

### Number of placees

4,000 to 20,000	61
20,001 to 100,000	33
100,001 to 1,000,000	34
1,000,001 to 5,000,000	8
5,000,001 and above	7
<b>Total</b>	<b>143</b>

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing.

**Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **OVER-ALLOTMENT OPTION**

In connection with the Placing, the Company has granted to the Sole Lead Manager the Over-allotment Option, which is exercisable by the Sole Lead Manager or its agent on behalf of the Underwriters at any time within a period commencing from the Listing Date (i.e. Friday, 30 May 2014) and ending on the 30th day after the Listing Date, to require the Company to issue at the Placing Price up to an aggregate of 15,000,000 additional new Shares, representing 15% of the total number of Placing Shares initially available under the Placing, to cover over-allocations in the Placing. If the Over-allotment Option is exercised in full, the Company's issued share capital will increase to 415,000,000 Shares and the Placing Shares will represent approximately 27.7% of the Company's enlarged issued share capital immediately following the completion of the Placing and the exercise of the Over-allotment Option.

As at the date of this announcement, the Over-allotment Option has not been exercised. In the event that the Over-allotment Option is exercised, an announcement will be made at the Company's website at [www.telecomdigital.cc](http://www.telecomdigital.cc) and the GEM Website.

## **MINIMUM PUBLIC FLOAT REQUIREMENT**

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

## **DEPOSIT OF SHARE CERTIFICATES INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

**No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.**

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on Thursday, 29 May 2014 for credit to the relevant CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts designated by the Sole Lead Manager, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Sponsor and/or the Sole Lead Manager are entitled to terminate the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, an announcement will be published by the Company on the GEM Website and the Company's website at [www.telecomdigital.cc](http://www.telecomdigital.cc) accordingly.

All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date.

## **COMMENCEMENT OF DEALINGS**

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 30 May 2014. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the GEM Website and the Company's website at [www.telecomdigital.cc](http://www.telecomdigital.cc). Shares will be traded in board lots of 4,000 Shares each. The stock code of the Shares is 8336.

By order of the Board  
**Telecom Digital Holdings Limited**  
**Cheung King Shek**  
*Chairman*

Hong Kong, 29 May 2014

*As at the date of this announcement, executive Directors are Mr. Cheung King Shek, Mr. Cheung King Fung Sunny, Ms. Mok Ngan Chu and Mr. Wong Wai Man; the non-executive Directors are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and the independent non-executive Directors are Mr. Hui Ying Bun, Mr. Ho Nai Man Paul and Mr. Lam Yu Lung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement and a copy of the Prospectus will remain on the GEM Website at [www.hkexnews.hk](http://www.hkexnews.hk) and, in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the day of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at [www.telecomdigital.cc](http://www.telecomdigital.cc).*