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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)

SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
(1) REVISION OF ANNUAL CAP FOR TRANSACTIONS WITH YOHM
(2) ADDITIONAL TRANSACTIONS WITH SUN ASIA GROUP

Reference is made to the announcement of Telecom Digital Holdings Limited (the “Company”) dated 4 January 2021 (the “Announcement”) in relation to (1) Revision of Annual Cap for Transactions with YoHm; and (2) Additional Transactions with Sun Asia Group. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company would like to provide further details regarding the (1) relationship between the Company and YoHm; and (2) pricing policy and mechanisms in relation to the respective continuing connected transactions with YoHm and Sun Asia Group.

Ultimate beneficial owners of YoHm

As stated in the Announcement, YoHm is indirectly held as to 60% by Ms. Cheung Lap Yee Lizamarie. Based on the information available to the Company, YoHm is also directly held as to 8% by Chan Hoi Sze and 32% by Honesty Union Company Limited, which in turn is equally owned by Wu Yip Kai, Lam Ka Chun, Sze Shun Kit and Chan Chi Pong. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Chan Hoi Sze, Honesty Union Company Limited, Wu Yip Kai, Lam Ka Chun, Sze Shun Kit and Chan Chi Pong are independent third parties to the Company and its connected persons.

Pricing policy and mechanisms in relation to the continuing connected transactions

(i) Transactions with YoHm

Mango Mall has been purchasing a wide range of products for its online retailing business. During the year, the demand of health-related products has been increased due to the outbreak of the COVID-19. Mango Mall sourced a wide variety of face masks and disinfection products for the choices of its customers. YoHm is one of its suppliers.

The prices of the products are determined by Mango Mall and YoHm from time to time on an arm's length basis and with reference to the prevailing market rates. In this regard, the project manager and the accounting manager of Mango Mall are designated to be responsible to monitor the purchase price and ensure that the purchase price are comparable to the prevailing market rate of same or similar products and the terms of the transaction (including the market rates) are no less favourable than the terms offered to the Group from independent third parties.

(ii) *Sales of Mango Mall's products to TDKS and CLL*

TDKS and CLL launched a promotion programme. Customers who meet the requirements will be rewarded during the promotion period. TDKS and CLL purchase Mango Mall's products for such promotion programme. The selling prices of the products which are sold by Mango Mall to TDKS and CLL are same as the selling prices of those products offered by Mango Mall to other external customers.

(iii) *Consignment of Cheung Kung Koon's festive products by Mango Mall from CKKCK and CLL*

Mango Mall has allowed CKKCK and CLL to sell the festive products in the brand of Cheung Kung Koon at the online platform and retail shops of the Group on a consignment basis in consideration of a consignment fee. The consignment fee, which is based on a fixed percentage, ranging from 6% to 22%, of the selling price of the consigned goods, shall be paid by CKKCK and CLL to Mango Mall for the consignment arrangement. Such consignment fee has been determined by CKKCK, CLL and Mango Mall with reference to the gross profit margins of the sales of other goods, which are of the same nature and of similar selling price, by Mango Mall.

Save as stated above, all other information set out in the Announcement remains unchanged.

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

Hong Kong, 12 January 2021

As at the date of this announcement, the executive Directors are Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby, Mr. Cheung King Fung Sunny, Mr. Wong Wai Man and Ms. Mok Ngan Chu, and the independent non-executive Directors are Mr. Lam Yu Lung, Mr. Lau Hing Wah and Mr. Lo Kam Wing.

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