

Hong Kong Exchanges and Clearing Limited and the Stock Exchange 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.



Telecom Digital Holdings Limited
電訊數碼控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8336)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

The Board is pleased to announce that on 4 August 2014, the Provisional Agreement in relation to the Proposed Acquisition at the consideration of HK\$57,000,000 was entered into between the Purchaser and the Vendor.

As one or more of the applicable percentage ratios in respect of the Proposed Acquisition is/are more than 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As the completion of the Proposed Acquisition is subject to the execution of the Formal Agreement, the fulfillment of the conditions precedent as stipulated in the Formal Agreement, and the satisfactory verification and requisition in respect of the title to the Properties, the Proposed Acquisition may or may not proceed. Shareholders and any potential investors are advised to take caution in dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 4 August 2014, the Provisional Agreement in relation to the proposed acquisition of the Properties (the “**Proposed Acquisition**”) at the consideration of HK\$57,000,000 (the “**Consideration**”) was entered into between the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor.

ACQUISITION OF PROPERTIES

The principal terms of the Provisional Agreement are summarised as follows:

- Date : 4 August 2014
- Parties : (1) UPS SCS (Asia) Limited (as vendor)
(2) CKK Properties Limited (as purchaser)
- Assets to be acquired : Godown B on 3/F.,
Sunshine Kowloon Bay Cargo Centre,
No.59 Tai Yip Street, Kowloon
together with loading spaces C4 and C5 on 3/F.
- Usage : warehouse

Consideration and payment schedule:

The consideration for the acquisition of Properties is HK\$57,000,000. Upon execution of the Provisional Agreement, an initial deposit of HK\$2,850,000 was paid in cash by the Purchaser to the Vendor. A further deposit of HK\$2,850,000 will be paid in cash by the Purchaser to the Vendor on or before the signing of the Formal Agreement. The remaining consideration of HK\$51,300,000 shall be payable by the Purchaser to the Vendor upon completion.

The Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account the market price of similar properties of similar size, character and location. Part of the Consideration, which amounts to approximately HK\$342,000,000, will be funded by the Group's working capital, and the remaining balance of the Consideration, which amounts to approximately HK\$22,800,000, is expected to be funded by mortgage loans to be obtained from licensed banks in Hong Kong.

Completion

The signing of the Formal Agreement shall take place on or before 19 August 2014. Subject to the fulfillment of the conditions precedent as stipulated in the Formal Agreement, and the satisfactory verification and requisition in respect of the title to the Properties, the completion for the Proposed Acquisition is expected to take place on or before 3 October 2014. However, in the event that the Proposed Acquisition cannot be completed due to the Vendor failing to show good title to Properties, the Purchaser shall have the right to terminate the Proposed Acquisition. Upon such termination, the Vendor shall refund all the deposits and monies paid in relation to the Proposed Acquisition.

INFORMATION ON THE GROUP

The Group is principally engaged in the telecommunications and related business in Hong Kong, including (i) retail sales of mobile phones of various brands and pre-paid SIM cards; (ii) distribution of mobile phones; (iii) provision of paging and other telecommunications services; and (iv) provision of operation services to New World Mobility Limited, a mobile service operator in Hong Kong and a 40%-owned associate of our Group.

INFORMATION ON THE VENDOR

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a member of an international group of companies engaged in global integrated logistics and is independent of, and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group intends to acquire the Properties since they are located near to the Group's head office, and will use them as warehouse for its distribution and retail sale operations in respect of mobile phones. The Board thus considered that the Proposed Acquisition is in line with the Group's long-term development plan on enhancement of its operational efficiency to support its business growth. The Board is of the view that the terms of the Proposed Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GENERAL

As one or more of the applicable percentage ratios in respect of the Proposed Acquisition is/are more than 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As the completion of the Proposed Acquisition is subject to the execution of the Formal Agreement, the fulfillment of the conditions precedent as stipulated in the Formal Agreement, and the satisfactory verification and requisition in respect of the title to the Properties, the Proposed Acquisition may or may not proceed. Shareholders and any potential investors are advised to take caution in dealing in the securities of the Company.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:-

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors

“Purchaser”	CKK Properties Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Company”	Telecom Digital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8336)
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor regarding the proposed acquisition of the Properties
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Properties”	Godown B on 3/F., Sunshine Kowloon Bay Cargo Centre, No.59 Tai Yip Street, Kowloon together with loading spaces C4 and C5 on 3/F.
“Provisional Agreement”	the provisional agreement entered into between the Purchaser and the Vendor regarding the sale and purchase of the Properties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	UPS SCS (Asia) Limited, the legal and beneficial owner of the Properties
“%”	per cent.

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

Hong Kong, 5 August 2014

As at the date of this announcement, the 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 of the Company 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 of the Company, 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 will remain on the “Latest Company Announcements” page on the GEM website at <http://www.hkgem.com> for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at <http://www.tdhl.cc>.