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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 19 July 2018, the Provisional Agreement in relation to the Proposed Acquisition at the consideration of HK\$48,000,000 was entered into between the Purchaser and the Vendor.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules 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 and is subject to reporting and announcement requirements under Chapter 14 of the 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 Property, 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.

THE PROPOSED ACQUISITION

The Board is pleased to announce that on 19 July 2018, the Provisional Agreement in relation to the Proposed Acquisition of the Property at the consideration of HK\$48,000,000 (the “**Consideration**”) was entered into between the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor.

THE PROVISIONAL AGREEMENT

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

Date : 19 July 2018

Parties : Vendor: HESSEL LIMITED

Purchaser: ACE KINGDOM ENTERPRISE LIMITED

Property to be acquired: Unit A026 on 1/F of Nan Fung Centre, 264-298 Castle Peak Road Tsuen Wan, 64-98 Sai Lau Kok Road, Tsuen Wan, New Territories

Consideration and payment schedule:

The Consideration is HK\$48,000,000. Upon execution of the Provisional Agreement, an initial deposit of HK\$1,500,000 will be paid by the Purchaser to the Vendor. A further deposit of HK\$3,300,000 will be payable by the Purchaser to the Vendor on or before the signing of the Formal Agreement. The balance of HK\$43,200,000 shall be payable by the Purchaser to the Vendor upon completion.

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\$14,400,000, will be funded by the Group's working capital, and the balance of the Consideration, which amounts to approximately HK\$33,600,000, is expected to be funded by loans to be obtained from licensed banks in Hong Kong.

Completion:

The signing of the Formal Agreement shall take place on or before 1 August 2018. 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 Property, the completion for the Proposed Acquisition is expected to take place on or before 16 October 2018. However, in the event that the Proposed Acquisition cannot be completed due to the Vendor's failure to show good title of the Property, 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.

Other:

The Purchaser has agreed to purchase the Property subject to the existing tenancy agreement of the Property at a monthly rental of HK\$90,000 (inclusive of management fee, government rates and rent) and the fixed terms of the tenancy agreement will end on 24 June 2019. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the existing tenant of the Property and its ultimate beneficial owners are independent of, and not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group intends to use the Property as one of its retail shops after expiration of the existing tenancy. The Board is satisfied with the location of the Property in terms of exposure to shoppers and volume of pedestrian flow and considers that the Proposed Acquisition could provide a good opportunity for the Company to secure a desirable retail space in Hong Kong without being affected by the fluctuations in rents and hence is beneficial to the development of the Group's business. 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.

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; (ii) distribution of mobile phones and related services; (iii) provision of paging and other telecommunications services; and (iv) provision of operation services to SUN Mobile Limited, a mobile service operator in Hong Kong and an associate owned as to 40% by the Group.

INFORMATION ON THE VENDOR

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor is independent of, and not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

IMPLICATION UNDER LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules 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 and is subject to reporting and announcement requirements under Chapter 14 of the 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 Property, 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.

DEFINITIONS

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

“Board”	the board of Directors
“chief executive(s)”	has the meaning ascribed to it under the Listing Rules

“Company”	Telecom Digital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange (stock code: 6033)
“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 sale and purchase of the Property
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Unit A026 on 1/F of Nan Fung Centre, 264-298 Castle Peak Road Tsuen Wan, 64-98 Sai Lau Kok Road, Tsuen Wan, New Territories
“Proposed Acquisition”	the acquisition of the Property by the Purchaser pursuant to the terms of the Provisional Agreement
“Provisional Agreement”	the provisional sale and purchase agreement dated 19 July 2018 entered into between the Purchaser and the Vendor regarding the sale and purchase of the Property
“Purchaser”	ACE KINGDOM ENTERPRISE LIMITED, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Shareholder(s)”	holders of the shares in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Vendor”

HESSEL LIMITED, the registered owner of the Property

“%”

per cent.

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

Hong Kong, 19 July 2018

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. Hui Ying Bun, Mr. Lam Yu Lung and Mr. Lau Hing Wah.

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