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Telecom Service One Holdings Limited

電訊首科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3997)

DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES

THE DISPOSALS

The Board announces that the Company, through TSO, a wholly-owned subsidiary of the Company, disposed on-market a total of 226,800 Wharf REIC Shares in a series of transactions conducted on 30 September 2021 (the “Disposal Date”), at an average price of approximately HK\$40.05 for an aggregate gross sale proceeds of approximately HK\$9,083,385 (exclusive of transaction costs) (the “Disposals”). After the Disposals, the Group does not hold any Wharf REIC Shares.

As one or more of the applicable percentage ratios in respect of the Disposals exceeds 5% but are less than 25%, the Disposals constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 29 April 2021 in relation to acquisition of the FCN by the Company, through TSO, a wholly-owned subsidiary of the Company.

On 29 April 2021, TSO acquired the FCN for a principal amount of HK\$9,000,000 (exclusive of transaction costs) and the principal terms of the FCN are summarised as follows:

Trade date:	29 April 2021
Issue date:	13 May 2021
Issuer:	HSBC
Linked equity:	(1) HKEx; and (2) Wharf REIC

Principal amount:	HK\$9,000,000
Issued price:	(1) HKEx: HK\$480.00 (2) Wharf REIC: HK\$45.65
Strike price:	(1) HKEx: HK\$417.168 (2) Wharf REIC: HK\$39.6744
Tenor:	4 months
Coupon rate:	12.00% p.a.
1st valuation date:	11 June 2021
2nd valuation date:	13 July 2021
3rd valuation date:	13 August 2021
Final valuation date:	13 September 2021
Maturity date:	20 September 2021

THE DISPOSALS

As the shares price of Wharf REIC closed below the strike price of HK\$39.6744 on 20 September 2021, TSO was obliged to take delivery of 226,800 underlying Wharf REIC Shares at the strike price according to the terms of the FCN. TSO disposed on-market a total of 226,800 Wharf REIC Shares in a series of transactions conducted on 30 September 2021, at an average price of approximately HK\$40.05 per share of Wharf REIC for an aggregate gross sale proceeds of approximately HK\$9,083,385 (exclusive of transaction costs), which will be receivable in cash on settlement. The price for the Disposals represented the market price of the Wharf REIC Shares at the time of the disposals.

At the Disposal Date, the Group disposed of 226,800 Wharf REIC Shares, representing approximately 0.007% of the issued share capital of Wharf REIC (calculated based on 3,036,227,327 Wharf REIC Shares as at 31 August 2021 according to publicly available information). The aggregate book value of the Wharf REIC Shares disposed by the Group was approximately HK\$9,000,000. After the Disposals, the Group does not hold any Wharf REIC Shares.

As the Disposals was made through the open market, the Company does not aware of the identities of the purchaser(s) of the Wharf REIC Shares. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, the purchaser(s) of the Wharf REIC Shares disposed by the Group and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties to the Company.

Reasons and benefits of the Disposals

The Board considered that the Disposals could enhance the liquidity of the Company and balance the investment portfolio of the Group. The Group is expected to recognise a gain of approximately HK\$83,385 (exclusive of transaction costs) in the Disposals which is calculated on the basis of the difference between the book value of the Wharf REIC Shares disposed by the Group as at the Disposal Date and the aggregate gross sale proceeds. The Group intends to use the proceeds of the Disposals for the general working capital of the Group.

The Disposals were made at prevailing market price. The Directors, including the independent non-executive Directors, are of the view that the Disposals are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Information of Wharf REIC

According to the public information available to the Board, the Wharf REIC is a company incorporated in Cayman Islands with limited liability and its shares are listed on the main board of the Stock Exchange (stock code: 1997). The principal activities of Wharf REIC and its subsidiaries are investing and operating iconic properties and hotels in Hong Kong and Singapore.

The following information is extracted from the public documents of Wharf REIC:

	For the six months ended 30 June 2021 <i>HK\$ Million</i>	For the year ended 31 December 2020 <i>HK\$ Million</i>	2019 <i>HK\$ Million</i>
Total assets	278,303	277,914	284,341
Profit (Loss) before taxation	3,663	(6,933)	5,952
Profit (Loss) for the period/year	2,954	(8,138)	3,991
Profit (Loss) attributable to shareholders of Wharf REIC	2,970	(7,854)	3,928

Information of the Company and the Group

The Company is listed on Main Board of the Stock Exchange (stock code: 3997) and is principally engaged in investment holding. The principal activities of the Group (including TSO) are the provision of repair and refurbishment services for mobile phones and other personal electronic products as well as the sales of related accessories.

Implications under the Listing Rules

As one or more of the applicable percentage ratios in respect of the Disposals exceeds 5% but is less than 25%, the Disposals constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	board of the Directors
“Company”	Telecom Service One 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: 3997)
“Director(s)”	director(s) of the Company
“FCN”	Fixed Coupon Note linked to HKEx Shares and Wharf REIC Shares issued by HSBC
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 388)
“HKEx Shares”	shares in the share capital of HKEx listed on the main board of the Stock Exchange and traded in HK\$
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	HSBC Bank Plc
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) is/are not connected person(s) of the Company and is/are third party independent to the Company and its connected person(s) under the Listing Rules
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSO”	Telecom Service One Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by the Company
“Wharf REIC”	Wharf Real Estate Investment Company Limited, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 1997)
“Wharf REIC Shares”	shares in the share capital of Wharf REIC listed on the main board of the Stock Exchange and traded in HK\$
“%”	per cent.

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

Hong Kong, 3 October 2021

As at the date of this announcement, the chairman and non-executive director of the Company is Mr. Cheung King Shek; the chief executive officer and executive director of the Company is Mr. Cheung King Fung Sunny; the non-executive directors of the Company are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and the independent non-executive directors of the Company are Mr. Fong Ping, Ms. Kwok Yuen Man Marisa and Mr. Tso Ka Yi.

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