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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)

**REVISION OF ANNUAL CAP
FOR CONTINUING CONNECTED TRANSACTIONS
WITH SUN ASIA GROUP**

REVISION OF ANNUAL CAP FOR THE TRANSACTIONS WITH SUN ASIA GROUP

Reference is made to the announcement of the Company dated 1 April 2022, in which it was announced, among other things, that the existing annual caps for the transactions with Sun Asia Group is fixed based on the aggregate annual fees and the amount of goods to be purchased or sold for respective transactions for the year ending 31 March 2023 to HK7,400,000.

On 5 January 2023, the Group has two additional transactions with Sun Asia Group, which include (i) leasing of a property by Onbo to CKC F&B; and (ii) leasing of a property by Onbo to CKK Cafe. The Board expects that the existing annual cap for the transactions with Sun Asia Group for the year ending 31 March 2023 will be insufficient, and has therefore resolved to revise the relevant annual cap.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CKC F&B and CKK Cafe are indirect wholly-owned by Sun Asia which is ultimately owned by the Cheung Brothers, as well as, Cheung Brothers are the beneficiary of the Cheung Family Trust (the controlling shareholder of the Company indirectly interested in 54.49% of the issued share capital of the Company), and hence, CKC F&B and CKK Cafe are connected persons of the Company. Accordingly, the additional transactions with Sun Asia Group constitute continuing connected transactions for the Company, which are required to be aggregated with the transactions with Sun Asia Group, under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the revised annual cap for the transactions with Sun Asia Group for the year ending 31 March 2023 are less than 5% but more than HK\$3,000,000, the revised annual cap is subject to the announcement, annual review and reporting requirements, but exempt from the circular (include independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

REVISION OF ANNUAL CAP FOR THE TRANSACTIONS WITH SUN ASIA GROUP

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On 5 January 2023, the Group has two additional transactions with Sun Asia Group, which include (i) leasing of a property by Onbo to CKC F&B; and (ii) leasing of a property by Onbo to CKK Cafe. The Board expects that the existing annual cap for the transactions with Sun Asia Group for the year ending 31 March 2023 will be insufficient, and has therefore resolved to revise the relevant annual cap. The details of the additional transactions are set out below:

(i) Leasing of a property by Onbo to CKC F&B

On 5 January 2023, Onbo, as landlord, entered into the Tenancy Agreement 1 with CKC F&B, as tenant, in relation to the Property No. 1. The rental was determined with reference to the prevailing market rent of similar properties in nearby location, the annual cap is fixed for the year ending 31 March 2023 to HK\$450,000. The principle terms of the Tenancy Agreement 1 are set out below:

Property	Address	Tenant	Landlord	Usage	Term	Monthly rent HK\$
1	3/F, 58 Tsun Yip Street, Kowloon, Hong Kong	CKC F&B	Onbo	Restaurant	5 January 2023 to 31 March 2023	150,000

(ii) Leasing of a property by Onbo to CKK Cafe

On 5 January 2023, Onbo, as landlord, entered into the Tenancy Agreement 2 with CKK Cafe, as tenant, in relation to the Property No. 2. The rental was determined with reference to the prevailing market rent of similar properties in nearby location, the annual cap is fixed for the period ending 31 March 2023 to HK\$300,000. The principle terms of the Tenancy Agreement 2 are set out below:

Property	Address	Tenant	Landlord	Usage	Term	Monthly rent HK\$
2	4/F, 58 Tsun Yip Street, Kowloon, Hong Kong	CKK Cafe	Onbo	Restaurant	5 January 2023 to 31 March 2023	100,000

Revised annual cap for the transactions with Sun Asia Group

The additional transactions involve CKC F&B and CKK Cafe with the Group, the aggregate annual fees payable/receivable by the Group for the transactions with Sun Asia Group will be increased. It is expected that the existing annual cap is insufficient for the series of transactions with Sun Asia Group for the year ending 31 March 2023. Therefore, the Board resolved to revise the existing annual cap for the transactions with Sun Asia Group to HK\$8,150,000 for the year ending 31 March 2023. The revision of annual cap which increase the existing annual cap by the anticipated additional amounts payable from CKC F&B and CKK Cafe to Onbo respectively.

Reasons and benefits of the additional transactions with Sun Asia Group

The Landlord is a company incorporated in Hong Kong and is wholly-owned subsidiary of the Company, which is principally engaged in property investment and being the registered owner of the Properties.

The additional transactions with Sun Asia Group are arrived at after arm's length negotiation and are on normal commercial terms. The rental under Tenancy Agreement 1 and Tenancy Agreement 2 were determined with reference to the prevailing market rent of similar properties in the nearby locations. The Group will pay the monthly rental in accordance with the tenancy agreements, and in the same manner as the tenancy agreements with independent third parties. The Directors (except the Cheung Brothers who have material interest in the transactions with Sun Asia Group and who abstained from participating in the approval of the relevant Board resolutions due to conflict of interests), including the independent non-executive Directors, are of the view that the additional transactions with Sun Asia Group and revision of annual cap are in the ordinary and usual course of business of the Company, and that the transactions with Sun Asia Group including the revision of annual caps are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CKC F&B and CKK Cafe are indirect wholly-owned by Sun Asia which is ultimately owned by the Cheung Brothers, as well as, Cheung Brothers are the beneficiary of the Cheung Family Trust (the controlling shareholder of the Company indirectly interested in 54.49% of the issued share capital of the Company), and hence, CKC F&B and CKK Cafe are connected persons of the Company. Accordingly, the additional transactions with Sun Asia Group constitute continuing connected transactions for the Company, which are required to be aggregated with the transactions with Sun Asia Group, under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the revised annual cap for the transactions with Sun Asia Group for the year ending 31 March 2023 are less than 5% but more than HK\$3,000,000, the revised annual cap are subject to the announcement, annual review and reporting requirements, but exempt from the circular (include independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is listed on Main Board of the Stock Exchange. The Group is principally engaged in the telecommunications and related business in Hong Kong, including (i) retail sales of mobile phones and other consumer goods and related services; (ii) distribution of mobile phones and related

services; and (iii) provision of operation services to Sun Mobile Limited, an associate owned as to 40% by the Group and as to 60% by HKT Limited.

Onbo, a wholly-owned subsidiary of the Company, is principally engaged in properties investment.

Sun Asia, an investment holding company, is indirectly wholly-owned by the Cheung Brothers who are the beneficiary of the Cheung Family Trust which indirectly holds 54.49% of the issued share capital of the Company. Therefore, Sun Asia is a connected person of the Company.

CKC F&B and CKK Cafe, indirect wholly-owned subsidiaries of Sun Asia, are principally engaged in the operation of restaurant in Hong Kong.

DEFINITIONS

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

“Board”	the board of Directors
“Cheung Brothers”	Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny
“Cheung Family Trust”	a discretionary trust established for the benefit of the Cheung Brothers and their family members
“CKC F&B”	CKC Food and Beverage Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of Sun Asia
“CKK Cafe”	CKK Cafe Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of Sun Asia
“Company”	Telecom Digital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6033)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“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
“Onbo”	Onbo International Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Properties”	Property No. 1 and Property No. 2
“Property No. 1”	3/F., 58 Tsun Yip Street, Kowloon, Hong Kong
“Property No. 2”	4/F., 58 Tsun Yip Street, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“Sun Asia”	Sun Asia Pacific Limited, a company incorporated in the British Virgin Islands with limited liability, which is ultimately owned by the Cheung Brothers who are the beneficiary of the Cheung Family Trust
“Sun Asia Group”	Sun Asia and its subsidiaries
“Tenancy Agreement 1”	the tenancy agreement dated 5 January 2023 entered into between CKC F&B and Onbo in respect of the tenancy for the Property No. 1
“Tenancy Agreement 2”	the tenancy agreement dated 5 January 2023 entered into between CKK Cafe and Onbo in respect of the tenancy for the Property No. 2
“%”	per cent

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

Hong Kong, 5 January 2023

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.