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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)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

On 3 August 2020, CKK Central Kitchen as tenant entered into the Tenancy Agreement with CKK Properties as landlord in relation to the tenancy of the Property.

CKK Central Kitchen is an indirect wholly-owned subsidiary of Sun Asia. Sun Asia is indirectly owned by the Cheung Brothers who are the beneficiary of the Cheung Family Trust which indirectly holds 54.49% of the shares of the Company in issue. As such, each of CKK Central Kitchen and Sun Asia is a connected person of the Company under the Listing Rules. Accordingly, the Tenancy Agreement constitutes continuing connected transaction for the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transaction contemplated under the Tenancy Agreement is required to be aggregated with the transactions under the Existing Transactions with Sun Asia Group (which are also continuing connected transactions for the Company).

As all applicable percentage ratios (other than the profits ratio) in respect of the aggregate annual fee for the transactions under the Tenancy Agreement and the Existing Transactions with Sun Asia Group for the year ended 31 March 2021 are less than 5% but aggregate annual fee is more than HK\$3,000,000, the aggregate annual fee and the transactions under the Tenancy Agreement and the Existing Transactions with Sun Asia Group are subject to the announcement, annual review and reporting requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 3 August 2020, CKK Central Kitchen as tenant entered into the Tenancy Agreement with CKK Properties as landlord in relation to the tenancy of the Property.

TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are set out below:-

Landlord	:	CKK Properties
Tenant	:	CKK Central Kitchen
Property	:	Portion A of Unit 905, 9/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
Usage	:	Food factory
Area	:	1,570 square metres
Term	:	3 August 2020 to 31 March 2021 (both dates inclusive)
Rent	:	HK\$15,700 per month (all fees exclusive)
Deposit	:	HK\$47,100
Rent Free Period	:	3 August 2020 to 31 August 2020 (both dates inclusive)

REVISED AGGREGATE ANNUAL CAP FOR TENANCY AGREEMENT AND EXISTING TRANSACTIONS WITH SUN ASIA GROUP

Reference is made to the announcement of the Company dated 31 March 2020 in relation to the continuing connected transactions of the Company. The annual cap for the Existing Transactions with Sun Asia Group was HK\$3,225,000 for the year ending 31 March 2021.

After entering into the Tenancy Agreement, it is expected that the aggregate annual fee to be received/receivable for respective transactions by the Group from the Sun Asia Group under the Tenancy Agreement and the Existing Transactions with Sun Asia Group for year ending 31 March 2021 will not exceed HK\$3,334,900. For the purpose of compliance with the Listing Rules, the aggregate annual fee is treated as the annual cap of the transactions with Sun Asia Group. The annual cap for the transaction under the Tenancy Agreement will be HK\$109,900 for the year ending 31 March 2021.

EXISTING TRANSACTIONS WITH SUN ASIA GROUP

The Group is conducting various transactions with Sun Asia Group for a term of one year commencing on 1 April 2020 and the scope of transactions includes of (i) leasing of a property by CTL to TDKS; (ii) provision of steaming real-time quote service by TDD to TDKS; and (iii) provision of IT support services by TDS to TDKS and TDKC.

(i) *Leasing of a property by CTL to TDKS*

CTL is leasing of property 16 to TDKS as its office commencing from 1 April 2020 for a term of one year. The rental was determined with reference to the prevailing market rent of similar properties in nearby location. The principle terms of the tenancy are set out below:

Property	Address	Tenant	Landlord	Usage	Term	Monthly rent <i>HK\$</i>
16	Unit A, 10/F, YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon	TDKS	CTL	Office	1 April 2020– 31 March 2021	75,339

(ii) Provision of steaming real-time quote services by TDD to TDKS

TDD provides steaming real-time quote services via mobile applications to TDKS. In consideration for such services, TDD received subscription fees charged on a per-user basis with reference to the current market rate of similar services. The amount for such services fees paid by TDKS to TDD for the year ended 31 March 2020 was approximately HK\$1,097,000.

(iii) Provision of IT support services by TDS to TDKS and TDKC

TDS assists TDKS and TDKC to develop software applications and provide related information technology support. In consideration for such services, TDS receive a fixed monthly service fee determined with reference to the cost of the relevant personnel. The monthly service fees of HK\$50,000 would be received from each of TDKS and TDKC for such services.

REASONS AND BENEFITS FOR ENTERING INTO THE TENANCY AGREEMENT

The Property will be rented by CKK Central Kitchen for the use of food factory. CKK Central Kitchen considers that the Property is suitable for their business.

The Tenancy Agreement is arrived at after arm's length negotiation and is on normal commercial terms. The rental under the Tenancy Agreement was determined with reference to the prevailing market rent of similar properties in the nearby locations. The Directors (except the Cheung Brothers who have material interest in the Tenancy Agreement 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 Tenancy Agreement is in the ordinary and usual course of business of the Company, and that the Tenancy Agreement including the aggregate annual cap are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

CKK Central Kitchen is an indirect wholly-owned subsidiary of Sun Asia. Sun Asia is indirectly owned by the Cheung Brothers who are the beneficiary of the Cheung Family Trust which indirectly holds 54.49% of the shares of the Company in issue. As such, each of CKK Central Kitchen and Sun Asia is a connected person of the Company under the Listing Rules. Accordingly, the Tenancy Agreement constitutes continuing connected transaction for the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the transaction contemplated under the Tenancy Agreement is required to be aggregated with the transactions under the Existing Transactions with Sun Asia Group (which are also continuing connected transactions for the Company).

As all applicable percentage ratios (other than the profits ratio) in respect of the aggregate annual fee for the transactions under the Tenancy Agreement and the Existing Transactions with Sun Asia Group for the year ended 31 March 2021 are less than 5% but aggregate annual fee is more than HK\$3,000,000, the aggregate annual fee and the transactions under the Tenancy Agreement and the Existing Transactions with Sun Asia Group are subject to the announcement, annual review and reporting requirements, but exempt from the 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 pre-paid SIM cards and related services; (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, an associate owned as to 40% by the Group and as to 60% by HKT Limited.

Sun Asia, an investment holding company, is indirectly 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.

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 certain family members of the Cheung family, the discretionary objects of which include Cheung Brothers
“CKK Central Kitchen”	CKK Central Kitchen Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Sun Asia which is indirectly wholly-owned by the Cheung Family Trust, and thus a connected person of the Company
“CKK Properties”	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 Main Board of the Stock Exchange (stock code: 6033)
“connected person”	has the meaning ascribed to it under the Listing Rules
“CTL”	Carries Technology Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company

“Existing Transactions with Sun Asia Group”	the transactions between the Group and Sun Asia Group includes of (i) leasing of a property by CTL to TDKS; (ii) provision of steaming real-time quote service by TDD to TDKS; and (iii) provision of IT support services by TDS to TDKS and TDKC for a term of one year commencing on 1 April 2020
“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”	Portion A of Unit 905, 9/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, 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 indirectly wholly-owned by the Cheung Family Trust and thus a connected person of the Company
“Sun Asia Group”	Sun Asia and its subsidiaries
“TDD”	Telecom Digital Data Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“TDKC”	TD King Capital Limited, a company incorporated in Hong Kong and owned as to 70% by Sun Asia, which is ultimately owned by the Cheung Brothers. Therefore, TDKC is an associate of the Cheung Brothers and thus a connected person of the Company.
“TDKS”	TD King Securities Limited, a company incorporated in Hong Kong and wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers. Therefore, TDKS is an associate of the Cheung Brothers and thus a connected person of the Company.
“TDS”	Telecom Digital Services Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

“Tenancy Agreement”

the tenancy agreement dated 3 August 2020 entered into between CKK Central Kitchen and CKK Properties in respect of the tenancy for the Property

“%”

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, 3 August 2020

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. Chan Yuk Ming.

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