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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 TRANSACTIONS
(1) REVISION OF ANNUAL CAP FOR TRANSACTIONS WITH YOHM
(2) ADDITIONAL TRANSACTIONS WITH SUN ASIA GROUP

REVISION OF ANNUAL CAP FOR TRANSACTIONS WITH YOHM

Since April 2020, Mango Mall has business transactions with YoHm in which Mango Mall would purchase face masks and disinfection products from YoHm for sales on the online platform and retail shops of the Group. The existing annual cap for the transaction with YoHm was fixed to HK\$3,500,000 for the year ending 31 March 2021.

The new wave of COVID-19 infection has led the increase in demand of face masks and disinfection products by customers, and the purchase of the relevant products made by Mango Mall from YoHm will be increased accordingly. As such, it is anticipated that the existing annual cap for the transactions with YoHm will be insufficient for the year ending 31 March 2021. Therefore, the Board resolved to revise the existing annual cap for the transactions with YoHm to HK\$5,000,000 for the year ending 31 March 2021.

As at the date of this announcement, YoHm is indirectly held as to 60% by Ms. Cheung Lap Yee Lizamarie, daughter of Mr. Cheung King Shan who is the executive Director and controlling shareholder of the Company and holds directly and indirectly approximately 59.57% of the issued share capital of the Company. Therefore, each of YoHm and Ms. Cheung Lap Yee Lizamarie is an associate of Mr. Cheung King Shan and thus a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions between YoHm and Mango Mall constitute a continuing connected transaction for the Company.

As all applicable percentage ratios (other than the profits ratio) in respect of the estimated annual purchase with YoHm for the year ending 31 March 2021 are less than 5% but such revised purchase amount is more than HK\$3,000,000, the transactions with YoHm and the revised annual cap are subject to the announcement, annual review and reporting requirements, but exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

ADDITIONAL TRANSACTIONS WITH SUN ASIA GROUP

The Group conducts various transactions with Sun Asia Group 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; (iii) provision of IT support services by TDS to TDKS and TDKC; and (iv) leasing of a property by CKK Properties to CKKCK. The existing annual caps was fixed based on the aggregate annual fees receivable from respective transactions for the year ending 31 March 2021 to HK\$3,334,900.

The Group has been commencing additional transactions with Sun Asia Group which include of (i) sales of Mango Mall's products to TDKS and CLL; and (ii) consignment of Cheung Kung Koon's festive products by Mango Mall from CKKCK and CLL. Therefore, the existing annual cap would need to be revised to HK\$4,534,900 for aggregation of the annual fees payable/receivable by the Group for the series of transactions with Sun Asia Group for the year ending 31 March 2021.

As at the date of this announcement, TDKS, CKKCK and CLL are indirect wholly-owned by Sun Asia which is ultimately owned by the Cheung Brothers (the beneficiary of the Cheung Family Trust). Therefore, each of TDKS, CKKCK and CLL is an associate of the Cheung Brothers and thus a connected person of the Company. Accordingly, the additional transactions with Sun Asia Group constitute continuing connected transactions for the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the additional transactions with Sun Asia Group are required to be aggregated with 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 revised aggregate annual fees for the transactions with Sun Asia Group are less than 5% but revised aggregate annual fee is more than HK\$3,000,000, the revised aggregate annual fees and the 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.

REVISION OF ANNUAL CAP FOR TRANSACTIONS WITH YOHM

Reference is made to the announcement of the Company dated 4 December 2020 in relation to the transactions with YoHm in which Mango Mall would purchase face masks and disinfection products from YoHm for the term up to 31 March 2021. The existing annual cap for the transactions with YoHm for the year ending 31 March 2021 was fixed to HK\$3,500,000.

Subsequent to the announcement of the Company dated 4 December 2020, the new wave of COVID-19 infection has led the increase in demand of face masks and disinfection products by customers, and the purchase of the relevant products made by Mango Mall from YoHm will be increased accordingly. As such, it is anticipated that the existing annual cap for the transactions with YoHm will be insufficient for the year ending 31 March 2021. Therefore, the Board resolved to revise the existing annual cap for the transactions with YoHm to HK\$5,000,000 for the year ending 31 March 2021.

Reasons and benefit for revision of the transactions with YoHm

In view of the fourth wave of COVID-19 promptly arrived, the demand of face masks and disinfection products by customers increased accidentally. Therefore, Mango Mall expanded the volume of purchases in face masks and disinfection products from various suppliers, including YoHm, to cope with the increase in market demand. The revision of the annual cap is to increase the existing annual cap by the anticipated additional purchase which is determined based on the forecast and estimation of market demand on disinfection products.

The transactions with YoHm are arrived at after arm's length negotiation and are on normal commercial terms. The Directors (except Mr. Cheung King Shan who has material interest in the transactions with YoHm 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 transactions with YoHm and revision of the annual cap are on normal commercial term, fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

Implications under Listing Rules

As at the date of this announcement, YoHm is indirectly held as to 60% by Ms. Cheung Lap Yee Lizamarie, daughter of Mr. Cheung King Shan who is the executive Director and controlling shareholder of the Company and holds directly and indirectly approximately 59.57% of the issued share capital of the Company. Therefore, each of YoHm and Ms. Cheung Lap Yee Lizamarie is an associate of Mr. Cheung King Shan and thus a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions between YoHm and Mango Mall constitute a continuing connected transaction for the Company.

As all applicable percentage ratios (other than the profits ratio) in respect of the estimated annual purchase with YoHm for the year ending 31 March 2021 are less than 5% but such revised purchase amount is more than HK\$3,000,000, the transactions with YoHm and the revised annual cap are subject to the announcement, annual review and reporting requirements, but exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

ADDITIONAL TRANSACTIONS WITH SUN ASIA GROUP

Reference is made to the announcement of the Company dated 31 March 2020 and 3 August 2020 in relation to the transactions with Sun Asia Group that 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; (iii) provision of IT support services by TDS to TDKS and TDKC; and (iv) leasing of a property by CKK Properties to CKKCK for the term up to 31 March 2021. The existing annual cap for the transactions with Sun Asia Group for the year ending 31 March 2021 was fixed to HK\$3,334,900.

The Group planned to have additional transactions with Sun Asia Group. The details of the additional transactions are set out below:

(i) Sales of Mango Mall's products to TDKS and CLL

TDKS and CLL launched a promotion programme. Customers who meet the requirements will be rewarded during the promotion period. TDKS and CLL purchase Mango Mall's products for such promotion programme. The annual cap is determined based on the forecast and estimation on the numbers of eligible customers of TDKS and CLL for the year ending 31 March 2021 to HK\$200,000.

(ii) Consignment of Cheung Kung Koon's festive products by Mango Mall from CKKCK and CLL

Mango Mall planned to sell Cheung Kung Koon's festive products at the online platform and retail shops of the Group on a consignment basis in consideration of a consignment fee. The consignment fee, which is based on a fixed percentage of the sales of consigned goods, shall be paid by CKKCK and CLL to Mango Mall for the consignment arrangement. Such consignment fee has been determined by CKKCK, CLL and Mango Mall with reference to the prevailing market rate of similar consignment arrangements. The annual cap is determined based on the amount and value of the consigned goods which is expected to be sold by Mango Mall for the year ending 31 March 2021 to HK\$1,000,000.

Revision of annual cap for the transactions with Sun Asia Group

Inclusive of the additional transactions between TDKS, CKKCK and CLL 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 2021. Therefore, the Board resolved to revise the existing annual cap for the transactions with Sun Asia Group to HK\$4,534,900 for the year ending 31 March 2021. The revision of annual cap is to increase the existing annual cap by the anticipated additional amounts payable from TDKS, CKKCK and CLL to Mango Mall respectively.

Reasons and benefits of additional transactions with Sun Asia Group

Mango Mall has been purchasing a wide range of products for its online platform. As Chinese New Year is coming, Mango Mall sourced a wide variety of festive products for its customers, CKKCK and CLL are one of its suppliers.

TDKS and CLL have been sourcing suitable products for their promotion programme. Mango Mall is one of the vendors.

The additional transactions with Sun Asia Group are arrived at after arm's length negotiation and are on normal commercial terms. 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.

Implications under Listing Rules

As at the date of this announcement, TDKS, CKKCK and CLL are indirect wholly-owned by Sun Asia which is ultimately owned by the Cheung Brothers (the beneficiary of the Cheung Family Trust). Therefore, each of TDKS, CKKCK and CLL is an associate of the Cheung Brothers and thus a connected person of the Company. Accordingly, the additional transactions with Sun Asia Group constitute continuing connected transactions for the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the additional transactions with Sun Asia Group are required to be aggregated with 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 revised aggregate annual fees for the transactions with Sun Asia Group are less than 5% but revised aggregate annual fee is more than HK\$3,000,000, the revised aggregate annual fee and the 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 other consumer goods 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.

Mango Mall, a wholly-owned subsidiary of the Company, is principally engaged in e-commerce business.

TDKS, a wholly-owned subsidiary of Sun Asia, is a licensed corporation under the Hong Kong Securities and Futures Ordinance and is licensed for dealing in securities and futures contracts. The principal activities of TDKS are provision of securities and futures contracts dealing agency service.

CKKCK and CLL, wholly-owned subsidiaries of Sun Asia, are principally engaged in the operation of a Chinese restaurant and a food factory in Hong Kong in the brand name of "Cheung Kung Koon".

YoHm is principally engaged in the manufacturing and trading of face masks and disinfection products, and is indirectly owned as to 60% by Ms. Cheung Lap Yee Lizamarie, daughter of Mr. Cheung King Shan. Therefore, YoHm is an associate of Mr. Cheung King Shan and thus a connected person of the Company.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"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

“CKKCK”	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
“CLL”	Chief Link 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
“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(s)”	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
“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
“Mango Mall”	Mango Mall Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“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 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
“YoHm”	YoHm Disinfection Tech Limited, a company incorporated in Hong Kong and is indirectly owned as to 60% by Ms. Cheung Lap Yee Lizamarie, daughter of Mr. Cheung King Shan. Therefore, YoHm is an associate of Mr. Cheung King Shan, executive director and controlling shareholder of the Company, and thus a connected person of the Company.
“%”	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, 4 January 2021

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.