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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: 8336)

DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY

The Board is pleased to announce that on 7 June 2016, the Provisional Agreement in relation to the Proposed Acquisition at the consideration of HK\$38,800,000 was entered into between the Purchaser and the Vendor.

As one or more of the applicable percentage ratios 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 under Chapter 19 of the GEM 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.

INTRODUCTION

The Board is pleased to announce that on 7 June 2016, the Provisional Agreement in relation to the proposed acquisition of the Property (the “**Proposed Acquisition**”) at the consideration of HK\$38,800,000 (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 : 7 June 2016

Parties : (1) MENSWINTON LIMITED
(as vendor)

(2) GOLD HILL LIMITED
(as purchaser)

Property to be acquired : Shop No.23 on Ground Floor, Golden Building, Nos.146-152
Fuk Wa Street, Kowloon, Hong Kong

Consideration and payment schedule:

The Consideration is HK\$38,800,000. Upon execution of the Provisional Agreement, an initial deposit of HK\$1,000,000 was paid in cash by the Purchaser to the Vendor. A further deposit of HK\$2,880,000 will be payable in cash by the Purchaser to the Vendor on or before the signing of the Formal Agreement. The balance of HK\$34,920,000 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\$23,280,000, will be funded by the Group's working capital, and the balance of the Consideration, which amounts to approximately HK\$15,520,000, is expected to be funded by mortgage loans to be obtained from licensed banks in Hong Kong.

Completion:

The signing of the Formal Agreement shall take place on or before 28 June 2016. 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 7 September 2016. 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\$100,000 (inclusive of management fee, government rates and rent) and the fixed terms of the tenancy agreement will end on 1 September 2017. The tenant has the option to extend the tenancy agreement for two years after the fixed terms with monthly rent increment not more than 15%. 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.

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 and pre-paid SIM cards; (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 a 40%-owned associate of 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.

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.

GENERAL

As one or more of the applicable percentage ratios 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 under Chapter 19 of the GEM 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.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, the following expressions shall have the following meanings in this announcement:-

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|-------------------------|---|
| “Board” | the board of Directors |
| “chief executive(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “Company” | Telecom Digital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (stock code: 8336) |
| “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 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the GEM of the Stock Exchange |
| “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 |
| “Property” | Shop No.23 on Ground Floor, Golden Building, Nos.146-152 Fuk Wa Street, Kowloon, Hong Kong |
| “Provisional Agreement” | the provisional sale and purchase agreement dated 7 June 2016 entered into between the Purchaser and the Vendor regarding the sale and purchase of the Property |
| “Purchaser” | GOLD HILL LIMITED, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company |

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|-------------------|---|
| “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 Companies Ordinance (Chapter 622 of the laws of Hong Kong) |
| “Vendor” | MENSWINTON LIMITED, the registered owner of the Property |
| “%” | per cent. |

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

Hong Kong, 7 June 2016

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. Ho Nai Man Paul and Mr. Lam Yu Lung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.tdhl.cc.

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