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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO DECUMULATOR CONTRACT**

**THE TRANSACTION**

The Board announces that the Company, through MGL, a wholly-owned subsidiary of the Company, entered into an equity decumulator contract with HSBC on 25 April 2024 (after trading hours) with a notional amount of approximately HK\$12,921,000 (excluding transaction fees).

**LISTING RULES IMPLICATIONS**

As one or more than one of the applicable percentage ratios in relation to the Decumulator Contract exceeds 5% but all the applicable percentage ratios are less than 25%, the Decumulator Contract would constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and hence is subject to the notification and announcement requirements set out under Rule 14 of the Listing Rules.

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## MAJOR TERMS OF THE DECUMULATOR CONTRACT

As at the date of this announcement, the principal terms of the Decumulator Contract is set out below:

	<u>Decumulator Contract</u>
Trade date:	25 April 2024
Buyer:	HSBC
Effective date:	26 April 2024
Underlying share:	HKEx
Notional amount:	43,676 HKEx Shares, approximately HK\$12,921,000
Spot price	HK\$246.600
Strike price:	HK\$295.846
Knock-out price:	HK\$234.270
Tenor:	12 months (244 trading days)
Settlement:	Bi-weekly basis
Period end date:	24 April 2025

The notional amount is determined based on the assumptions that (i) there is no Knock-out Event or early termination event occurred; and (ii) the maximum stock price is the predetermined strike price throughout the contract period that the Company is required to sell a specified number of the HKEx Shares under the Decumulator Contract.

### Current status

As at the date of this announcement, the Directors confirm that (i) except for the above-mentioned Decumulator Contract that remain outstanding, the Group does not have any outstanding equity decumulator contract; and (ii) the Group has sufficient number of HKEx Shares to fulfil the Decumulator Contract.

### Information of the Decumulator Contract

- Decumulator contract is non-guaranteed product, and the returns is linked to a single underlying share.
- The structure of the equity decumulator contract is to sell a specific number of the underlying share on each scheduled date at the strike price until the relevant contract is redeemed due to (i) Knock-out Event (if applicable) or early termination event occurred; or (ii) at maturity.
- The maximum risk exposure of the Company is the limitation of secondary market. The Group is required to hold the contract until maturity unless it is terminated as a result of the occurrence of a Knock-out Event or on the occurrence of an event of default or other circumstances specified in the contract. There is limited secondary market liquidity.
- The fair values are determined based on the valuation performed by an independent professionally qualified valuer.

## **Reasons and Benefits of Entering into the Decumulator Contract**

The Company considers that the equity decumulator contract can generate a targeted income on the disposal of the Group's financial assets. Therefore, the Company makes use of the available listed equity securities to launch the Decumulator Contract to maximise the possible returns for the Company accordingly.

The Company's investment objective is to generate stable additional income. The strategy of these investment is to make investments in the prospects of primarily reputable sizeable financial institutions on recognisable stock exchange for creating values for Shareholders, with the risks involved balanced and moderated by the diversity of the portfolio and the corporate governance and disclosures of such issuers.

The Group takes into account the following criteria for investment decision: (i) potential return on investment in terms of capital appreciation and dividend payment; (ii) risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

Having considered the present market conditions of the stock market and the track records of HKEx, the Company considers that the Decumulator Contract is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Decumulator Contract was launched at the strike prices according to the terms of the Decumulator Contract. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, the counterparty financial institution of the Decumulator Contract and their respective ultimate beneficial owners are Independent Third Parties to the Company.

## **Implications Under the Listing Rules**

As one or more than one of the applicable percentage ratios in relation to the Decumulator Contract exceeds 5% but all the applicable percentage ratios are less than 25%, the Decumulator Contract would constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and hence is subject to the notification and announcement requirements set out under Rule 14 of the Listing Rules.

The Company will closely monitor and review the status of the Decumulator Contract and will make further announcement(s) in compliance with the Listing Rules (if required).

## **Information of HKEx**

According to the public information available to the Board, HKEx is a company incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 388). HKEx is a recognised exchange controller under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). HKEx operates the only recognised stock and futures markets in Hong Kong through its wholly-owned subsidiaries and is the frontline regulator of listed issuers in Hong Kong.

The following information is extracted from the public documents of HKEx:

	For the year ended 31 December	
	2023 <i>HK\$ Million</i>	2022 <i>HK\$ Million</i>
Total assets	341,179	406,051
Profit before taxation	13,332	11,659
Profit for the year	11,981	10,095
Profit attributable to shareholders of HKEx	11,862	10,078

### **Information of the Company and the Group**

The Company is listed on Main Board of the Stock Exchange (stock code: 6033) and is principally engaged in the telecommunications and related business in Hong Kong, including (i) product business: sales of electronic devices, other consumer goods and related services; (ii) operation services: provision of operation services to Sun Mobile Limited, an associate owned as to 40% by the Group and as to 60% by HKT Limited; (iii) property investments in Hong Kong; and (iv) other segments: comprises mainly provision of paging and other communication services.

### **DEFINITIONS**

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

“Board”	the board of Directors 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 Main Board of the Stock Exchange (Stock Code: 6033)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries, as appropriate and regardless of whether directly or indirectly owned
“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”	The Hongkong and Shanghai Banking Corporation Limited
“Independent Third Parties”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company
“Knock-out Event”	from the date of 26 May 2024, the closing price of the underlying listed share on any specified trading day during the contract period is equal to or below the predetermined knock-out price
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“MGL”	Mango Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 25 April 2024

*As at the date of this announcement, the executive directors of the Company are Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby, CHEUNG King Fung Sunny, WONG Wai Man and Ms. MOK Ngan Chu and the independent non-executive directors of the Company are Messrs. LAM Yu Lung, LAU Hing Wah and LO Kam Wing.*

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