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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 DISPOSAL OF PROPERTY

THE DISPOSAL

The Board is pleased to announce that on 8 August 2023 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property for a total consideration of HK\$83,200,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (other than the profits ratio) calculated under Rule 14.07 of the Listing Rules, in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements.

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THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are summarised below:

- Date : 8 August 2023 (after trading hours of the Stock Exchange)
- Parties : (1) CKK Properties Limited (an indirect wholly-owned subsidiary of the Company), as the vendor; and
- (2) Tai Yip Investments No. 9 Limited, as the purchaser.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Property

The Property is located at Godown B and Loading Space No. C4 and C5 on 3rd Floor of Sunshine Kowloon Bay Cargo Centre, 59 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong, and currently used by the Group as one of its warehouse. The Property is to be sold to the Purchaser on an “as is” basis.

Consideration and payment term

The total Consideration for the Disposal is HK\$83,200,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) An initial deposit of HK\$4,160,000, being 5% of the Consideration was paid by the Purchaser to the Vendor’s solicitors as stakeholder upon signing of the Provisional Agreement;
- (2) Further deposit of HK\$4,160,000, being 5% of the Consideration to be paid by the Purchaser to the Vendor’s solicitors as stakeholder upon signing of the Formal Agreement; and
- (3) HK\$74,880,000, being the balance of the Consideration to be paid by the Purchaser to the Vendor on Completion.

The Consideration was arrived based on arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, and after taking into account the prevailing property market conditions, the market price of the similar properties adjacent to the Property.

Completion

Completion is expected to take place on or before 22 September 2023, which is 1 month after the date of the Formal Agreement.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The book value of the Property as shown in the unaudited consolidated financial statements of the Company as at 31 July 2023 was approximately HK\$45,267,000. Subject to review and confirmation by the auditor, the Group is expected to record a gain of approximately HK\$37,933,000 from the Disposal, which is calculated based on the Consideration to be received by the Group for the Disposal less the book value of the Property as at 31 July 2023 before any related expenses. The Company intends to use the net proceeds from the Disposal as general working capital and partial repayment of bank loans within the Group.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company, and is principally engaged in properties investment.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in investment holding. The ultimate beneficial owner of the Purchaser is Goodman Group (listed on ASX under the code "GMG"), which the Purchaser is an indirectly wholly-owned subsidiary of Goodman Group. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group include four main business segments, comprising: (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.

Taking into account of the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the Property at a reasonable price and the proceeds from the Disposal will improve the financial position and increase the general working capital of the Group. The Board considers that the terms and conditions of the Disposal are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (other than the profits ratio) calculated under Rule 14.07 of the Listing Rules, in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“ASX”	Australian Securities Exchange
“Board”	the board of the Directors
“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)
“Completion”	Completion of the Disposal in accordance with the terms and conditions of the Formal Agreement

“Consideration”	HK\$83,200,000, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the Disposal of the Property by the Vendor to the Purchaser under the terms and conditions of the Provisional Agreement
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Vendor and the Purchaser regarding the sale and purchase of the Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	Independent third party(ies) who is/are not connected person(s) of the Company and its subsidiaries and is/are independent of the Company and its connected persons
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Property”	Godown B and Loading Space No. C4 and C5 on 3rd Floor of Sunshine Kowloon Bay Cargo Centre, 59 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong
“Provisional Agreement”	The provisional sale and purchase agreement for the Disposal, dated and signed on 8 August 2023
“Purchaser”	Tai Yip Investments No. 9 Limited, a company incorporated in HK with limited liability, being the purchaser of the Property under the Provisional Agreement and Formal Agreement

“Shareholders”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	CKK Properties Limited, incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, which is the vendor of the Property under the Provisional Agreement and Formal Agreement
“%”	per cent.

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

Hong Kong, 8 August 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.