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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 AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF THE TARGET COMPANY**

THE ACQUISITION

On 29 July 2025, after trading hours, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of HK\$40,000,000, which will be satisfied by cash.

The Target Company is a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO and is principally engaged in the provision of securities and futures contracts dealing agency services in Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Vendor is indirectly wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers. The Cheung Brothers are the Directors of the Company and also the beneficiary of the KW Cheung Family Trust, which indirectly holds 54.49% of the Shares in issue as at the date of this announcement. As such, the Vendor is a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An Independent Board Committee comprising the independent non-executive Directors has been established to advise the Independent Shareholders on whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the resolutions to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

DESPATCH OF CIRCULAR

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition and the Sale and Purchase Agreement; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Acquisition; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; (iv) the valuation report of the Target Company; (v) the notice of the EGM; and (vi) other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders of the Company on or before 15 August 2025.

As completion of the Acquisition is conditional upon fulfilment of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to the action they should take.

INTRODUCTION

On 29 July 2025, after trading hours, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of HK\$40,000,000, which will be satisfied by cash.

THE SALE AND PURCHASE AGREEMENT

Date

29 July 2025 (after trading hours)

Parties

Purchaser : Telecom Digital Investment Limited

Vendor : TD King Finance Group Ltd

As at the date of this announcement, the Purchaser is a wholly-owned subsidiary of the Company. The Vendor is indirectly wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers. The Cheung Brothers are the Directors of the Company and also the beneficiary of the KW Cheung Family Trust, which indirectly holds 54.49% of the Shares in issue as at the date of this announcement. As such, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

The Target Company is a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO and is principally engaged in the provision of securities and futures contracts dealing agency services in Hong Kong. Based on the information provided by the Vendor, the Target Company and its business was established by the Cheung Brothers in 2007 and hence there was no acquisition cost paid to third party by the Vendor or the Cheung Brothers.

Consideration of the Acquisition

The Consideration is HK\$40,000,000, which shall be payable by the Purchaser to the Vendor in the following manner:

- (a) HK\$4,000,000, representing 10% of the Consideration as refundable deposit (the “**Refundable Deposit**”) payable by the Purchaser within five (5) business days after signing of the Sale and Purchase Agreement;

- (b) HK\$18,000,000, representing 45% of the Consideration as completion payment (“**Completion Payment**”) payable by the Purchaser on or before Completion;
- (c) HK\$18,000,000, representing the remaining 45% of the Consideration (“**Balance of Consideration**”) being the balance of the Consideration payable by the Purchaser within ninety (90) business days after Completion.

Each of the Purchaser and the Vendor shall bear its own tax as required to be borne by such party under the applicable laws and regulations in connection with the Acquisition.

Basis of determining the consideration

The Consideration was arrived at after arm’s length negotiations between the Company and the Vendor on normal commercial terms, taking into account various factors including (i) historical financial performance of the Target Company; (ii) the future business prospects of the Target Company and the industry in which the Target Company is engaging; (iii) the net asset value of the Target Company of approximately HK\$26,068,000 as at 30 June 2025; (iv) the appraised value of the entire issued share capital of the Target Company as at 30 June 2025 in the approximate amount of HK\$49,168,000 by an independent valuer using the market approach; (v) the price-to-sales ratios of the Target Company relative to that of the other publicly traded comparable companies which are similarly engaged in the provision of similar business; and (vi) the reasons as set out in the section headed “Reasons for and Benefits of the Acquisition” in this announcement.

The Company will include the abovementioned valuation report in the circular to be despatched to the Shareholders.

The Directors (other than the independent non-executive Directors whose views will be provided after taking into account the opinion and advice from the independent financial adviser) are of the view that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company intends to satisfy the consideration by utilising the internal resources of the Group.

Conditions Precedent

Completion is conditional upon satisfaction or if applicable, waiver, of the following Conditions:

- (A) the Vendor and the Purchaser having obtained all necessary and unconditional consent and approval relevant to the sale and purchase of the Sale Shares in Hong Kong and/or other relevant jurisdictions, including all authorization and approval of the relevant government or regulatory authorities (including, but not limited to the SFC and Stock Exchange), authorities or organizations or any other third parties (including bank(s), other signatories to the contract(s) which the Purchaser or Vendor is a party);
- (B) the Company having complied with and obtained all the requirements, approvals, consents and waivers for the Acquisition (with or without conditions imposed thereon) as required under the relevant Listing Rules before Completion, including the Independent Shareholders' approval in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder at a general meeting;
- (C) all representations and warranties remaining true and accurate in all material respects from the date of the Sale and Purchase Agreement up to the Completion Date (both dates inclusive) and no state of affairs, facts or circumstances constitute or may constitute a serious breach of any warranties or any of the Vendor's obligation(s) or responsibility(ies) in the Sale and Purchase Agreement;
- (D) the following approvals from the SFC having been obtained and remain in full force and effect:
 - (i) the Purchaser and/or its shareholder to become the substantial shareholder(s) of the Target Company (such approval from SFC being unconditional or only subject to usual conditions);
 - (ii) the Sale Shares to be transferred to the Purchaser or its nominee;
 - (iii) (If requested by the Purchaser) any person designated by the Purchaser to be appointed as the Responsible Officer of the Target Company; and
 - (iv) any such other consent or approval from the SFC as may be required for the acquisition of the Target Company.

- (E) there being no material adverse change in relation to the Target Company, and no event having a material adverse effect on the Target Company's business, prospects, operations conditions and financial conditions since the date of the Sale and Purchase Agreement;
- (F) the Purchaser being satisfied to its absolute discretion with the result of the due diligence review on the business, legal, operational and financial conditions of the Target Company;
- (G) the licence granted by the SFC to the Target Company remains valid and subsisting on the Completion Date; and
- (H) the sale and purchase of the Sale Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Sale and Purchase Agreement and prior to the Completion by any legislative, executive or regulatory body or authority (including the Stock Exchange) which is applicable to the Purchaser and the Vendor.

Each of the Purchaser and the Vendor shall use their respective best endeavours to procure the fulfilment of all the Conditions.

The Purchaser has absolute discretion to waive all or any of the Conditions (except for Conditions (A), (B), (D) and (H)). If any of the Conditions is not fulfilled or waived on or before the Long Stop Date, the Sale and Purchase Agreement will lapse and be of no effect (save for certain provisions related to the refund of the Refundable Deposit, confidentiality, etc.). The Refundable Deposit shall then be refunded to the Purchaser without interest within five (5) business days after the lapse of the Sale and Purchase Agreement. No party shall be liable to any of the other parties of the Sale and Purchase Agreement, save in respect of any antecedent breaches.

Due Diligence Review

The Vendor shall provide and procure the Target Company and its agents to provide the Purchaser, its consultants and agents with all such information and assistance as may be reasonably required for review, including but not limited to all documents, records, books and information related to the Vendor, the Target Company and its documents related to their business, legal, operational and financial conditions.

Completion

Completion shall take place on or before the Long Stop Date on which all the Conditions of the Sale and Purchase Agreement having been satisfied (or waived), or such later date as the Purchaser and the Vendor may agree in writing.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's financial statement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is one of the leading comprehensive telecommunications service providers in Hong Kong and principally engaged in four business segments, including (i) sales of electronic devices and other consumer goods and related services; (ii) 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 segment primarily comprising provision of paging and other telecommunication services in Hong Kong.

As disclosed in the Company's recent annual reports, the Company would actively study and pursue new business opportunities and diversification initiatives that align with its strategic goals and vision as well as complement its core operations, aiming to achieve sustainable growth. The Group is considering diversifying its business and sources of income, including without limitation, to step into the financial and securities market in Hong Kong. The Acquisition would enable the Group to diversify its business and sources of income through exploration of relevant business opportunity in such sector. The Acquisition, if materialized, represents the Group's formal entry into Hong Kong's financial and securities market. By entering Hong Kong's financial and securities market, the Group aims to capitalize on the robust recovery of the capital market, evidenced by the Hong Kong stock market's daily average turnover surpassing HK\$200 billion since the beginning of 2025 driven largely by both domestic and international investors' participation. The Company is cautiously optimistic about the market's outlook as supported by the improved market liquidity and sentiment and valuation recovery. The Acquisition will enable the Group to leverage these favorable conditions, generating stable income and complement the Group's services and products offering with financial services through the Target Company's expertise and established infrastructure.

The Acquisition is expected to create synergies with the Group's existing operations through different avenues. Firstly, the Group's financial strength and longstanding reputation in Hong Kong will be able to bolster the Target Company's operations and expansion, if so required, enabling it to scale up its securities brokerage services and, thereby, increase its revenue contributions to the Group. Secondly, the Acquisition will provide unique promotional opportunities, raising the Target Company's brand awareness among the Group's extensive customer base while introducing the Group's telecommunications services to the Target Company's clients, thereby expanding market reach for both entities.

The Directors (excluding the independent non-executive Directors, whose views will be provided after taking into account the opinion and advice from the independent financial adviser) consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company and the Group

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) 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 segment: comprising mainly provision of paging and other telecommunication services in Hong Kong.

The Purchaser

The Purchaser is a limited liability company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company, which is an investment holding company.

The Vendor

The Vendor is a limited liability company incorporated in the British Virgin Islands. The Vendor is indirectly wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers. The Cheung Brothers are the Directors of the Company and also the beneficiary of the KW Cheung Family Trust, which indirectly holds 54.49% of the Shares in issue as at the date of this announcement. The Vendor is an investment holding company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Company is a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO and is principally engaged in the provision of securities and futures contracts dealing agency services in Hong Kong.

As disclosed in the announcement of the Company dated 1 April 2025, there are continuing connected transactions between the Target Company and the Group in relation to leasing of a property and provision of streaming real-time quote services and other ancillary or related services by the Group to the Target Company, which will cease to be continuing connected transactions when the Target Company becomes the indirect wholly owned subsidiary of the Company upon Completion. For further details of the abovementioned continuing connected transactions between the Target Company and the Group, please refer to the announcement of the Company dated 1 April 2025.

Set out below is the key financial information of the Target Company for the two years ended 31 March 2024 and 2025 as prepared in accordance with the HKFRS Accounting Standards:

	For the financial year ended 31 March	
	2025	2024
	(audited)	(audited)
	HK\$'000	HK\$'000
Net profit/(loss) before tax	4,358	(878)
Net profit/(loss) and total comprehensive income/(expenses) for the year	3,761	(647)

The unaudited net asset value of the Target Company as at 30 June 2025 was approximately HK\$26,068,000.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Vendor is indirectly wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers. The Cheung Brothers are the Directors of the Company and also the beneficiary of the KW Cheung Family Trust, which indirectly holds 54.49% of the Shares in issue as at the date of this announcement. As such, the Vendor is a connected person of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The voting in respect of the Acquisition at the EGM will be conducted by way of poll. The KW Cheung Family Trust and its associates (including East-Asia Pacific Limited and Cheung Brothers) are required to abstain from voting in respect of the resolution(s) approving the Sale and Purchase Agreement and the Acquisition at the EGM.

GENERAL

An Independent Board Committee comprising the independent non-executive Directors has been established to advise the Independent Shareholders on whether the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the resolutions to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

DESPATCH OF CIRCULAR

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Acquisition and the Sale and Purchase Agreement (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Acquisition; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; (iv) the valuation report of the Target Company; (v) the notice of the EGM; and (vi) other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders of the Company on or before 15 August 2025.

As completion of the Acquisition is conditional upon fulfilment of the conditions precedent set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to the action they should take.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the proposed acquisition of Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Balance of Consideration”	HK\$18,000,000, being the balance of the Consideration payable by the Purchaser within ninety (90) business days after Completion

“Cheung Brothers”	Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny
“Company”	Telecom Digital Holdings Limited (電訊數碼控股有限公司), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on Main Board of the Stock Exchange (stock code: 6033)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	the date which falls on the fifth (5th) business day upon all Conditions are satisfied or waived (as the case may be), or such other date as may be agreed by the Purchaser and the Vendor in writing
“Completion Payment”	HK\$18,000,000, being completion payment payable by the Purchaser to the Vendor on or before Completion
“Condition(s)”	conditions precedent to Completion, details of which are set out under the paragraph headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Acquisition in the amount of HK\$40,000,000 as described under the paragraph headed “The Sale and Purchase Agreement” in this announcement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transaction contemplated thereunder
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising the independent non-executive Directors, namely Mr. Lam Yu Lung, Mr. Lau Hing Wah and Mr. Lo Kam Wing, formed to advise the Independent Shareholders as to the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than the KW Cheung Family Trust and its associates
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“KW Cheung Family Trust”	a discretionary trust established for the benefit of the Cheung Brothers and their family members, of which the Cheung Brothers are among the discretionary objects
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 March 2026 or such later date as the Purchaser and the Vendor may agree in writing
“PRC”	People’s Republic of China
“Purchaser”	Telecom Digital Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Refundable Deposit”	HK\$4,000,000, being refundable deposit payable by the Purchaser to the Vendor within five (5) business days after signing of the Sale and Purchase Agreement
“Responsible Officer(s)”	individual(s) who is/are approved by the SFC under section 126(1) of the SFO as a responsible officer of a licensed corporation
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 July 2025 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Sale Shares”	25,000,000 shares in the Target Company held by the Vendor, representing the entire issued share capital of the Target Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder amended, consolidated or substituted from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 KW Cheung Family Trust and thus a connected person of the Company

“Target Company”	Telecom King Securities Limited (電訊數碼證券有限公司), a company incorporated in Hong Kong with limited liability and licensed by the SFC to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO and is a participant of the Stock Exchange and Hong Kong Futures Exchange Limited
“Vendor”	TD King Finance Group Ltd, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly-owned by Sun Asia, which is ultimately owned by the Cheung Brothers who are the beneficiary of the KW Cheung Family Trust and thus a connected person of the Company

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

Hong Kong, 29 July 2025

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.