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## **Telecom Service One Holdings Limited**

**電訊首科控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3997)**

### **CONTINUING CONNECTED TRANSACTIONS SURRENDER AGREEMENTS**

#### **SURRENDER AGREEMENTS**

On 31 January 2020, TSO (a wholly-owned subsidiary of the Company) has entered into the Surrender Agreements with ORL and GIL to surrender the Surrendered Premises under the First 2019/20 Tenancy Agreement and Second 2019/20 Tenancy Agreement respectively.

ORL and GIL are indirectly wholly-owned by the Cheung Family Trust which indirectly holds 51.43% of the shares of the Company in issue. As such, ORL and GIL are connected persons of the Company under the Listing Rules. Accordingly, the Surrender Agreements constitute continuing connected transactions for the Company.

Pursuant to the Surrender Agreements, TSO shall surrender the Surrendered Premises under the First 2019/20 Tenancy Agreement and Second 2019/20 Tenancy Agreement to ORL and GIL respectively on 29 February 2020. Accordingly, the Company is subject to the announcement requirement under the Note to Rule 14A.35 of the Listing Rules.

#### **SURRENDER AGREEMENTS**

Reference is made to the announcement of the Company dated 31 March 2019 in relation to the 2019/20 Tenancy Agreements entered into between ORL and GIL with TSO (a wholly-owned subsidiary of the Company) respectively in which setting out the terms and conditions for leasing of properties for a term up to 31 March 2020.

On 31 January 2020, TSO has entered into the Surrender Agreements with ORL and GIL to surrender the Surrendered Premises under the First 2019/20 Tenancy Agreement and Second 2019/20 Tenancy Agreement respectively.

Pursuant to the Surrender Agreements, TSO shall surrender the Surrendered Premises under the First 2019/20 Tenancy Agreement and Second 2019/20 Tenancy Agreement to ORL and GIL respectively on 29 February 2020, the tenancies of the Surrender Premises shall be absolutely ceased and terminated and both parties shall release each other from all liabilities and obligations in relation to the Surrender Premises thereof.

Details of the tenancies of the Surrender Premises under the Surrender Agreements are as follows:

Address	Landlord	Date of tenancy agreement	Term	Monthly rent	Usage and area
<i>First 2019/20 Tenancy Agreement</i>					
Unit 1807, 18/F., Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	ORL	30 March 2019	from 1 April 2019 to 31 March 2020 (tenancy will be terminated in advance on 29 February 2020)	HK\$79,420 (exclusive of government rates, government rent and building management fee)	Head office, repair center and warehouse  saleable area: 7,220 sq. ft. (gross)
<i>Second 2019/20 Tenancy Agreement</i>					
Portion B of Unit 1806, 18/F., Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	GIL	30 March 2019	from 1 April 2019 to 31 March 2020 (tenancy will be terminated in advance on 29 February 2020)	HK\$32,626 (exclusive of government rates, government rent and building management fee)	Head office, repair center and warehouse  saleable area: 2,966 sq. ft. (gross)

## REASON FOR ENTERING INTO SURRENDER AGREEMENTS

As the Group's head office, repair center and warehouse located at the Surrendered Premises will be relocated in late February 2020, TSO no longer needs the Surrendered Premises and hence terminates the tenancies of the Surrendered Premises. The Surrender Agreements were entered to surrender the Surrendered Premises.

The terms of the Surrender Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The Directors (except the Cheung Brothers being the Directors who have material interests in the Surrender Agreements and who abstained from participating in the approval of the relevant Board resolutions due to conflict of interest), including the independent non-executive Directors, considered that the terms of the Surrender Agreements are fair and reasonable and the Surrender Agreements are on normal commercial terms, 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 THE LISTING RULES

ORL and GIL, the property holding companies, are indirectly wholly-owned by the Cheung Family Trust which indirectly holds 51.43% of the shares of the Company in issue. As such, ORL and GIL are connected persons of the Company under the Listing Rules. Accordingly, the Surrender Agreements constitute continuing connected transactions for the Company.

Upon entering into the Surrender Agreements, the tenancies of the Surrender Premises under the Surrender Agreements are to be terminated in advance. Accordingly, the Company is subject to the announcement requirement under the Note to Rule 14A.35 of the Listing Rules.

## **GENERAL INFORMATION**

The Company is listed on Main Board of the Stock Exchange and is principally engaged in investment holding. The principal activities of the Group (including TSO) are provision of repair and refurbishment services for mobile phones and personal electronic products and the sales of related accessories therefor.

## **DEFINITIONS**

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

“Board”	board of the 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 certain family members of the Cheung family, the discretionary beneficiary includes the Cheung Brothers, all being Directors
“Company”	Telecom Service One 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: 3997)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company
“First 2019/20 Tenancy Agreement”	the tenancy agreement dated 30 March 2019 entered into between ORL and TSO in relation to the tenancy of Unit 1807, 18/F., Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
“GIL”	Glossy Investment Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Cheung Family Trust which indirectly holds 51.43% of the shares of the Company in issue, and thus a connected person 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 PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ORL”	Oceanic Rich Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Cheung Family Trust which indirectly holds 51.43% of the shares of the Company in issue, and thus a connected person of the Company
“PRC”	The People’s Republic of China
“Second 2019/20 Tenancy Agreement”	the tenancy agreement dated 30 March 2019 entered into between GIL and TSO in relation to the tenancy of Portion B of Unit 1806, 18/F., Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surrender Agreements”	the surrender agreements dated 31 January 2020 entered into between ORL and GIL with TSO respectively in relation to the surrender of the Surrendered Premises under the First 2019/20 Tenancy Agreement and Second 2019/20 Tenancy Agreement
“Surrendered Premises”	Portion B of Unit 1806 and Unit 1807, 18/F., Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
“TSO”	Telecom Service One Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by the Company
“0%”	per cent.

By Order of the Board  
**Telecom Service One Holdings Limited**  
**Cheung King Shek**  
*Chairman*

Hong Kong, 31 January 2020

*As at the date of this announcement, chairman of the Company and non-executive Director is Mr. Cheung King Shek; chief executive officer of the Company and executive Director is Mr. Cheung King Fung Sunny; non-executive Directors are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and independent non-executive Directors are Mr. Fong Ping, Ms. Kwok Yuen Man Marisa and Mr. Tso Ka Yi.*

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