

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 23 May 2013 (the “Prospectus”) issued by Telecom Service One Holdings Limited (the “Company”).

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



Telecom Service One Holdings Limited

電訊首科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 30,000,000 Shares
**Placing Price : HK\$1.00 per Placing Share, excluding brokerage of
1%, SFC transaction levy of 0.003% and Stock
Exchange trading fee of 0.005%**
Nominal Value : HK\$0.1 per Share
Stock Code : 8145

Sole Sponsor



China Everbright Capital Limited

Sole Bookrunner and Sole Lead Manager



China Everbright Securities (HK) Limited

- The Placing Price is agreed at HK\$1.00 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds of the Placing after deducting the underwriting commissions and other related expenses in relation to the Placing and Listing are estimated to be approximately HK\$14.9 million.
- The 30,000,000 Shares offered by the Company under the Placing were moderately over-subscribed.
- Pursuant to the Placing, 30,000,000 Shares have been conditionally allocated to a total of 150 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, significant shareholders or substantial shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing.
- The Directors confirm that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 30 May 2013.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

Pursuant to the price determination agreement entered into between the Company and the Sole Lead Manager on 27 May 2013, the Placing Price was agreed at HK\$1.00 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds of the Placing after deducting the underwriting commission and other related expenses in relation to the

Placing and the Listing are estimated to be approximately HK\$14.9 million. The Directors intend to apply the net proceeds of the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus as follows:

- approximately 90% of the net proceeds, or approximately HK\$13.4 million, for acquisition of a commercial property at a prime location in Hong Kong for use as a customer service centre of the Group; and
- 10% of the net proceeds, or approximately HK\$1.5 million, as general working capital.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING AND LAPSE OF OFFER SIZE ADJUSTMENT OPTION

The 30,000,000 Shares offered by the Company under the Placing were moderately over-subscribed. The Offer Size Adjustment Option has not been exercised by the Sole Bookrunner and has lapsed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 30,000,000 Shares have been conditionally allocated to a total of 150 selected professional, institutional and other investors. The distribution of the Placing Shares is set out below:

		Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	3,200,000	10.67%	2.67%
Top 5 placees	10,832,000	36.11%	9.03%
Top 10 placees	17,882,000	59.61%	14.90%
Top 25 placees	27,720,000	92.40%	23.10%

Number of Placing Shares allocated	Number of placees
2,000 – 100,000	126
100,001 – 1,000,000	13
1,000,001 – 3,000,000	10
3,000,001 and above	<u>1</u>
Total	<u><u>150</u></u>

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, significant shareholders or substantial shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on Wednesday, 29 May 2013 for credit to the relevant CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts designated by the Sole Lead Manager, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Lead Manager is entitled to terminate its obligations under the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, acts of government or orders of any courts, labour disputes, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, declaration of a national or international emergency, riots, public disorder, economic sanctions, outbreaks of diseases or epidemics, accidents, interruption or delay in transportation, any local, national, regional or international outbreak or escalation of hostilities or other state of emergency or calamity or crisis in Hong Kong, the BVI or the Cayman Islands or any other jurisdictions relevant to any member of the Group. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, an announcement will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.tso.cc accordingly.

All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 30 May 2013. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.tso.cc. Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 8145.

By order of the Board
Telecom Service One Holdings Limited
Cheung King Fung Sunny
Executive Director

Hong Kong, 29 May 2013

As at the date of this announcement, Chairman and non-executive Director is Mr. Cheung King Shek; executive Director is Mr. Cheung King Fung Sunny; non-executive Directors are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and the independent non-executive Directors are Mr. Hui Ying Bun, Mr. Fong Ping, Ms. Kwok Yuen Man, Marisa and Mr. Chu Kin Wang, Peleus.

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 Stock Exchange Website at www.hkexnews.hk on the “Latest Company Announcements” page for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.tso.cc.