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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)

DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES

THE DISPOSALS

The Board announces that the Company through TSO, a wholly-owned subsidiary of the Company, disposed on-market a total of 237,168 NewWorld Dev Shares in a series of transactions conducted on 11 February 2022 (the “Disposal Date”), at an average price of approximately HK\$33.7998 for an aggregate gross sale proceeds of approximately HK\$8,016,220 (exclusive of transaction costs) (the “Disposals”). After the Disposals, the Group does not hold any NewWorld Dev Shares.

As one or more of the applicable percentage ratios in respect of the Disposals exceeds 5% but are less than 25%, the Disposals constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 9 July 2021 in relation to acquisition of the FCN by the Company through TSO, a wholly-owned subsidiary of the Company.

On 9 July 2021, TSO acquired the FCN for a principal amount of HK\$8,000,000 (exclusive of transaction costs) and the principal terms of the FCN are summarised as follows:

Trade date:	9 July 2021
Issue date:	23 July 2021
Issuer:	Barclays
Linked equity:	(1) HKEx; and (2) NewWorld Dev
Principal amount:	HK\$8,000,000
Issued price:	(1) HKEx: HK\$491.00; (2) NewWorld Dev: HK\$37.40
Strike price:	(1) HKEx: HK \$442.8329; (2) NewWorld Dev: HK\$33.7311

Tenor:	6 months
Coupon rate:	12.00% p.a.
1st valuation date:	23 August 2021
2nd valuation date:	23 September 2021
3rd valuation date:	25 October 2021
4th valuation date:	23 November 2021
5th valuation date:	23 December 2021
Final valuation date:	24 January 2022
Maturity date:	26 January 2022

THE DISPOSALS

As both the shares price of HKEx and NewWorld Dev closed below the strike price of HK\$442.8329 and HK\$33.7311 respectively on 26 January 2022, TSO was obliged to take delivery of 237,168 underlying NewWorld Dev Shares at the strike price according to the terms of the FCN. TSO disposed on-market a total of 237,168 NewWorld Dev Shares in a series of transactions conducted on 11 February 2022, at an average price of approximately HK\$33.7998 per share of NewWorld Dev for an aggregate gross sale proceeds of approximately HK\$8,016,220 (exclusive of transaction costs), which will be receivable in cash on settlement. The price for the Disposals represented the market price of the NewWorld Dev Shares at the time of the disposals.

At the Disposal Date, the Group disposed of 237,168 NewWorld Dev Shares, representing approximately 0.009% of the issued share capital of NewWorld Dev (calculated based on 2,516,633,171 NewWorld Dev Shares as at 31 January 2022 according to publicly available information). The aggregate book value of the NewWorld Dev Shares disposed by the Group was approximately HK\$7,999,940. After the Disposals, the Group does not hold any NewWorld Dev Shares.

As the Disposals was made through the open market, the Company does not aware of the identities of the purchaser(s) of the NewWorld Dev Shares. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, the purchaser(s) of the NewWorld Dev Shares disposed by the Group and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

Reasons and benefits of the Disposals

The Board considered that the Disposals could enhance the liquidity of the Company and balance the investment portfolio of the Group. The Group is expected to recognise a gain of approximately HK\$16,280 (exclusive of transaction costs) in the Disposals which is calculated on the basis of the difference between the book value of the NewWorld Dev Shares disposed by the Group as at the Disposal Date and the aggregate gross sale proceeds. The Group intends to use the proceeds of the Disposals for the general working capital of the Group.

The Disposals were made at prevailing market price. The Directors, including the independent non-executive Directors, are of the view that the Disposals are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Information of NewWorld Dev

According to the public information available to the Board, NewWorld Dev 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: 17). NewWorld Dev and its subsidiaries are principally engaged in property development, property investment and investment in and/or operation of roads, commercial aircraft leasing, construction, insurance, hotels and other strategic businesses.

The following information is extracted from the public documents of NewWorld Dev:

	For the year ended 30 June	
	2021 <i>HK\$ Million</i>	2020 <i>HK\$ Million</i>
Total assets	627,077.4	600,195.9
Profit before taxation	10,365.5	10,794.4
Profit for the year	4,703.9	3,266.4
Profit attributable to shareholders of NewWorld Dev	1,171.6	1,096.2

Information of the Company and the Group

The Company is listed on Main Board of the Stock Exchange (stock code: 3997) and is principally engaged in investment holding. The principal activities of the Group (including TSO) are the provision of repair and refurbishment services for mobile phones and other personal electronic products as well as the sales of related accessories.

Implications under the Listing Rules

As one or more of the applicable percentage ratios in respect of the Disposals exceeds 5% but is less than 25%, the Disposals constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Barclays”	Barclays Bank PLC
“Board”	board of the 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)
“Director(s)”	director(s) of the Company
“FCN”	Fixed Coupon Note linked to HKEx Shares and NewWorld Dev Shares issued by Barclays

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability
“HKEx Shares”	the shares of HKEx listed on the main board of the Stock Exchange (Stock Code: 388) and traded in HK\$
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) is/are not connected person(s) of the Company and is/are third party independent to the Company and its connected person(s) under the Listing Rules
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“NewWorld Dev”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability
“NewWorld Dev Shares”	the shares of NewWorld Dev listed on the main board of the Stock Exchange (Stock Code: 17) and traded in HK\$
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSO”	Telecom Service One Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by the Company
“%”	per cent.

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

Hong Kong, 11 February 2022

As at the date of this announcement, the chairman and non-executive director of the Company is Mr. Cheung King Shek; the chief executive officer and executive director of the Company is Mr. Cheung King Fung Sunny; the non-executive directors of the Company are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and the independent non-executive directors of the Company 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.