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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: 8145)**

**CONTINUING CONNECTED TRANSACTIONS  
TENANCY AGREEMENTS**

The Board announces that on 30 June 2014, GEL and ORL as landlords entered into the New Tenancy Agreements with TSO as tenant respectively in relation to the tenancy of the Properties.

TSO is a wholly-owned subsidiary of the Company. GEL and ORL are indirectly wholly-owned by the Cheung Family Trust which indirectly holds 55% of the issued share capital of the Company. As such, GEL and ORL are connected persons of the Company under the GEM Listing Rules. Accordingly, the New Tenancy Agreements constitutes continuing connected transactions for the Company. Pursuant to Rule 20.25 of the GEM Listing Rules, the transactions contemplated under the New Tenancy Agreements are required to be aggregated with the transactions under the Other Existing Tenancy Agreements (which are also continuing connected transactions for the Company). As all applicable percentage ratios in respect of the total annual rentals under the New Tenancy Agreements and the Other Existing Tenancy Agreements are less than 25% and such total annual rentals are less than HK\$10,000,000, such tenancy agreements are subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47, the annual review requirements set out in Rules 20.37 to 20.40 and the requirements set out in Rules 20.35(1) and 20.35(2) of the GEM Listing Rules, but are exempt from the independent shareholders' approval requirement pursuant to Rule 20.34 of the GEM Listing Rules.

The Board announces that on 30 June 2014, GEL and ORL as landlords entered into the New Tenancy Agreements with TSO as tenant respectively in relation to the tenancy of the Properties.

## **NEW TENANCY AGREEMENTS DATED 30 JUNE 2014**

The principal terms of the New Tenancy Agreements are set out below.

### **Fifth Existing Tenancy Agreement:**

Landlord:	GEL
Tenant:	TSO
Property A:	portion of Unit A, 23/F, Kyoto Plaza, No. 491-499 Lockhart Road, Causeway Bay, Hong Kong
Usage:	repair centre
Gross floor area:	616 sq. ft.
Term:	two years and nine months from 1 July 2014 to 31 March 2017 (both days inclusive)
Rent:	HK\$18,480 per month (exclusive of management fee, air-conditioning charges, government rates and government rent)
Deposit:	three months' rental

### **Second Existing Tenancy Agreement:**

Landlord:	ORL
Tenant:	TSO
Property B:	Unit B, 23/F, Kyoto Plaza, No. 491-499 Lockhart Road, Causeway Bay, Hong Kong
Usage:	repair centre
Gross floor area:	1,284 sq. ft.
Term:	two years and nine months from 1 July 2014 to 31 March 2017 (both days inclusive)
Rent:	HK\$38,520 per month (exclusive of management fee, air-conditioning charges, government rates and government rent)
Deposit:	three months' rental

## AGGREGATE ANNUAL CAP OF THE NEW TENANCY AGREEMENTS AND THE OTHER EXISTING TENANCY AGREEMENTS

The Aggregate Annual Cap for the New Tenancy Agreements and the Other Existing Tenancy Agreements based on the total annual rental paid/payable thereunder during their respective terms of tenancy for each of the years ending 31 March 2015, 2016 and 2017 will be as follows:

	For the year ending 31 March		
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
First Existing Tenancy Agreements	606	--	--
Second Existing Tenancy Agreement	347	462	462
Third Existing Tenancy Agreement	952	--	--
Fourth Existing Tenancy Agreements	923	--	--
Fifth Existing Tenancy Agreements	166	222	222
Sixth Existing Tenancy Agreement	432	144	--
Seventh Existing Tenancy Agreement	512	--	--
	<u>3,938</u>	<u>828</u>	<u>684</u>

Further details of the Other Existing Tenancy Agreements are as follows:

Address	Landlord	Date of tenancy agreement	Term	Monthly rent	Usage and saleable area (sq. ft.)
<i>First Existing Tenancy Agreements</i>					
Unit 1807, 18/F, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	ORL	9 August 2012	one year from 1 April 2014 to 31 March 2015	HK\$50,540 (exclusive of government rates, government rent and management fee)	head office, repair centre and warehouse 5,511 sq. ft.
<i>Third Existing Tenancy Agreement</i>					
Portion of Units 1202 & 1203, Units 1205-06, 12/F, Ginza Plaza, No. 2A Sai Yeung Choi Street South, Mongkok, Kowloon, Hong Kong	ORL	29 November 2012	two years from 1 April 2013 to 31 March 2015	HK\$79,296 (exclusive of management fee and air-conditioning charges but inclusive of government rates and government rent)	repair centre 2,832 sq. ft.
<i>Fourth Existing Tenancy Agreements</i>					
Unit 1805 & Portion B of Unit 1806, 18/F, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	GIL	9 August 2012	one year from 1 April 2014 to 31 March 2015	HK\$76,888 (exclusive of government rates, government rent and management fee)	head office and repair centre 9,590 sq. ft.
<i>Sixth Existing Tenancy Agreement</i>					
Unit B, 15/F, Kyota Plaza, No. 491-499 Lockhart Road, Causeway Bay, Hong Kong	ORL	31 July 2013	two years from 1 August 2013 to 31 July 2015	HK\$35,952 (exclusive of rates, management fees and all other outgoings)	repair centre 1,284 sq. ft.

Unit 1201 and Portion of Unit 1202, 12/F, Ginza Plaza, No. 2A Sai Yeung Choi Street South, Mongkok, Kowloon, Hong Kong	ORL	31 July 2013	one year and eight months from 1 August 2013 to 31 March 2015	HK\$42,700 (inclusive of government rents and rates but exclusive of management fees and all other outgoings)	repair centre 1,525 sq. ft.
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## **REASONS FOR THE NEW TENANCY AGREEMENTS**

TSO is principally engaged in providing repair and refurbishment services for mobile phones and other personal electronic products as well as sale of accessories therefor. From May 2011 to March 2014, the Properties were rented by TSO for use as a customer and refurbishment service centre for provision of services to a corporate customer. At the end of March 2014, TSO surrendered the tenancy of the Properties to the landlords and closed the service centre located at the Properties as agreed between TSO and the related corporate customer. Per the request of other corporate customers of TSO in June 2014, TSO will open a new customer and refurbishment service centre for provision of services to such corporate customers. The Group has operated a customer and refurbishment service centre at the Properties and considers that the Properties are suitable for the business of the Group. Thus TSO entered into the New Tenancy Agreements to secure the Properties for the operation of its service centre to be opened.

The terms of the New Tenancy Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rentals under the New Tenancy Agreements were determined with reference to the prevailing market rent of similar properties in the nearby locations. The Directors (including the Independent Non-Executive Directors of the Company) considered that the New Tenancy Agreements are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole. Mr. Cheung King Shek, the Chairman of the Company, Mr. Cheung King Fung Sunny, the Executive Director of the Company, Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby, the Non-Executive Directors of the Company, did abstain from voting on the relevant Board resolution in view of their material interests in the New Tenancy Agreements by virtue of being discretionary objects of the Cheung Family Trust.

## **GENERAL**

TSO is a wholly-owned subsidiary of the Company. GEL and ORL, being investment holding companies, are indirectly wholly-owned by the Cheung Family Trust which indirectly holds 55% of the issued share capital of the Company. As such, GEL and ORL are connected persons of the Company under the GEM Listing Rules. Accordingly, the New Tenancy Agreements constitute continuing connected transactions for the Company. Pursuant to Rule 20.25 of the GEM Listing Rules, the transactions contemplated under the New Tenancy Agreements are required to be aggregated with the transactions under the Other Existing Tenancy Agreements (which are also continuing connected transactions for the Company). As all applicable percentage ratios in respect of the total annual rentals under the New Tenancy Agreements and the Other Existing Tenancy Agreements are less than 25% and such total annual rentals are less than HK\$10,000,000, such tenancy agreements are subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47, the annual review requirements set out in Rules 20.37 to 20.40 and the requirements set out in Rules 20.35(1) and 20.35(2) of the GEM Listing Rules, but are exempt from the independent shareholders' approval requirement pursuant to Rule 20.34 of the GEM Listing Rules.

## TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Cap”	the maximum amount of annual rental paid/payable by the TSO under the New Tenancy Agreements and the Other Existing Tenancy Agreements, based on the total annual rental paid/payable thereunder during their respective terms of tenancy for each of the years ending 31 March 2015, 2016 and 2017
“Board”	board of the Directors of the Company
“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 objects of which include the Cheung Brothers
“Company”	Telecom Service One Holdings Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Fifth Existing Tenancy Agreement”	the tenancy agreement dated 30 June 2014 entered into between GEL and TSO in relation to the tenancy of the Property A
“First Existing Tenancy Agreements”	the two tenancy agreements dated 5 June 2012 and 9 August 2012 entered into between ORL and TSO
“Fourth Existing Tenancy Agreements”	the two tenancy agreements dated 5 June 2012 and 9 August 2012 entered into between GIL and TSO
“GEL”	Glossy Enterprises Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Cheung Family Trust, and thus a connected person of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GIL”	Glossy Investment Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Cheung Family Trust, and thus a connected person of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars
“New Tenancy Agreements”	Second Existing Tenancy Agreement and Fifth Existing Tenancy Agreement
“ORL”	Oceanic Rich Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Cheung Family Trust, and thus a connected person of the Company
“Other Existing Tenancy Agreements”	the First Existing Tenancy Agreements, the Third Existing Tenancy Agreement, the Fourth Existing Tenancy Agreements, the Sixth Existing Tenancy Agreement and the Seventh Existing Tenancy Agreement
“Properties”	Property A and Property B
“Property A”	portion of Unit A, 23/F, Kyoto Plaza, No. 491-499 Lockhart Road, Causeway Bay, Hong Kong with gross floor area of 616 sq. ft.
“Property B”	Unit B, 23/F, Kyoto Plaza, No. 491-499 Lockhart Road, Causeway Bay, Hong Kong with gross floor area of 1,284 sq. ft.
“Second Existing Tenancy Agreement”	the tenancy agreement dated 30 June 2014 entered into between ORL and TSO in relation to the tenancy of the Property B
“Seventh Existing Tenancy Agreement”	a tenancy agreement dated 31 July 2013 entered into between ORL and TSO
“Sixth Existing Tenancy Agreement”	a tenancy agreement dated 31 July 2013 entered into between ORL and TSO
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Existing Tenancy Agreement”	the tenancy agreement dated 29 November 2012 entered into between ORL and TSO
“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, 30 June 2014

*As at the date of this announcement, chairman and non-executive director of the Company is Mr. Cheung King Shek; executive director of the Company is Mr. Cheung King Fung Sunny; non-executive directors of the Company are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and independent non-executive directors of the Company are Mr. Fong Ping, Ms. Kwok Yuen Man Marisa and Mr. Chu Kin Wang Peleus.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, 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.*

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