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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)

ANNOUNCEMENT IN RELATION TO PUBLIC FLOAT

This announcement is made by Telecom Service One Holdings Limited (the “**Company**”) pursuant to Rule 13.32(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

BACKGROUND

The board of directors (the “**Board**” and “**Directors**”, respectively) of the Company announces that the Company noted a number of the disclosure of interests forms filed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**DI Filings**”) by a shareholder, namely Ms. Chan Lai Ping (“**Ms. Chan**”) in October 2024 and was made aware that (i) on 14 April 2020, Ms. Chan purchased 3,000,000 ordinary shares of the Company (“**Share(s)**” or “**Purchase**”, respectively) and immediately upon the Purchase, Ms. Chan held an aggregate of 13,422,000 Shares, representing approximately 10.46% of the total issued Shares as at 14 April 2020 and rendering Ms. Chan to be a substantial shareholder of the Company; and (ii) on 7 June 2022, Ms. Chan disposed 2,318,000 Shares (the “**Disposal**”) and immediately upon the Disposal, Ms. Chan held an aggregate of 10,966,000 Shares, representing approximately 8.54% of the total issued Shares as at 7 June 2022 and rendering Ms. Chan to cease to be a substantial shareholder of the Company. Accordingly and as disclosed in the DI Filings, Ms. Chan had been a substantial shareholder of the Company from 14 April 2020 to 7 June 2022 (the “**Relevant Period**”).

INSUFFICIENT PUBLIC FLOAT

As Ms. Chan had become a substantial shareholder of the Company and thus a core connected persons of the Company under the Listing Rules. Pursuant to Rule 8.24 of the Listing Rules, the Shares held by Ms. Chan should have been excluded from the public float of the Company (the “**Public Float**”) during the Relevant Period.

On this basis, the Company had not been able to fulfill the public float requirement under Rule 8.08 during the Relevant Period (“**Insufficient Public Float Event**”). The Insufficient Public Float Event was a technical breach of Rule 8.08 caused by the Purchase which rendered Ms. Chan’s shareholding interests jumping from 8.12% to 10.46% and resulted in fall below 25% of the total issued Shares held by the public (“**Minimum Prescribed Percentage**”) on 14 April 2020. The Company restored its public float upon the Disposal which rendered Ms. Chan’s shareholding interests dropping from 10.35% to 8.54%, and hence she was no longer a substantial shareholder nor a core connected person of the Company and her shareholding interest could have been counted as public float since 7 June 2022.

To the best knowledge, information and belief of the Directors and according to the information available to the Company, (i) the Company is of the view that the shortfall in the Minimum Prescribed Percentage arose solely from the increase in shareholding of Ms. Chan in the Company who had become a core connected person of the Company by virtue of being a substantial shareholder of the Company during the Relevant Period; (ii) the Company has only become aware of the Insufficient Public Float Event after the DI filings made by Ms. Chan in October 2024; and (iii) the percentage of public float of the Company did not fall below 15% during the Relevant Period as reference to Note 1 to Rule 8.08(1)(b) of the Listing Rules.

Further, although the Public Float was shortfall in the Minimum Prescribed Percentage, the Company is maintaining the Public Float to the Minimum Prescribed Percentage at all times from 7 June 2022, and the Shares held by the public represent a market capitalisation of approximately HK\$74.4 million based on the closing price of HK\$0.58 per Share as at the date of this announcement. The Company is of the view that there remains an open market of the Shares.

REMEDIAL ACTIONS TO PREVENT THE RE-OCCURRENCE OF SIMILAR EVENT

The Company implemented the following remedial actions to prevent the re-occurrence of any potential similar event, and set-up a mechanism to monitor the Public Float, in order to maintain the Public Float to the Minimum Prescribed Percentage at all times, which included:

- (a) the Company arranged a proper training to the Directors with the relevant knowledges including but not limited to, minimum public float requirement, model code for securities transactions by directors of listed issuers, disclosure of interests under Part XV of the Securities Futures Ordinance, market misconduct provisions and disclosure obligations under the Securities Futures Ordinance on 4 March 2025;
- (b) the Company is reviewing the DI Filings relating to the Company’s shares on the Stock Exchange’s website for a monthly basis with effect in February 2025;

- (c) the Company has been reviewing the monthly report issued by the Company's share registrar for identifying the substantial shareholders named on register of members of the Company for a monthly basis; and
- (d) the Company has been requesting the Directors to declare on their or their respective close associates' interest movement on the Company's shares (if any) on half-yearly basis.

As at the date of this announcement, the Company is maintaining the Public Float to the Minimum Prescribed Percentage which stated under the Rule 8.08(1)(a) of the Listing Rules. Further announcement(s) will be made by the Company on the Public Float as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 4 March 2025

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.