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## Telecom Digital Holdings Limited

### 電訊數碼控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6033)

## FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board of directors (the “Board” and “Directors”, respectively) of Telecom Digital Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company together with its subsidiaries (the “Group”) for the year ended 31 March 2024 together with the comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	3	1,372,767	1,535,452
Cost of inventories sold		(906,596)	(1,036,415)
Staff costs		(191,328)	(193,017)
Depreciation		(94,106)	(96,710)
Other income and gains	5	43,387	17,317
Other operating expenses		(106,155)	(113,596)
(Loss) gain on change in fair value:			
– financial assets at fair value through profit or loss (“FVTPL”)		(12,651)	(6,375)
– derivative financial instruments		587	(587)
Share of results of associates		9,205	11,328
Finance costs	6	(43,742)	(25,733)
Profit before tax		71,368	91,664
Income tax expense	7	(14,989)	(16,084)
Profit for the year attributable to owners of the Company	8	56,379	75,580

	<i>Note</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
<b>Other comprehensive income (expense)</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>1,591</b>	(761)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss on long service payment obligations		<u>(478)</u>	<u>(491)</u>
Other comprehensive income (expense) for the year		<u><b>1,113</b></u>	<u>(1,252)</u>
Total comprehensive income for the year attributable to owners of the Company		<u><b>57,492</b></u>	<u>74,328</u>
Earnings per share ( <i>HK\$</i> )	<i>10</i>		
Basic		<u><b>0.14</b></u>	<u>0.19</u>
Diluted		<u><b>0.14</b></u>	<u>0.19</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>408,657</b>	586,134
Right-of-use assets		<b>51,346</b>	56,271
Investment properties		<b>523,390</b>	417,332
Club membership		<b>1,560</b>	1,560
Interests in associates		<b>21,572</b>	23,190
Rental deposits	<i>11</i>	<b>9,215</b>	9,051
Prepayments for addition of property, plant and equipment	<i>11</i>	<b>3,400</b>	427
		<b>1,019,140</b>	1,093,965
<b>Current assets</b>			
Inventories		<b>75,328</b>	122,497
Financial assets at FVTPL		<b>32,245</b>	58,862
Derivative financial instruments		–	294
Trade and other receivables	<i>11</i>	<b>48,739</b>	38,724
Amounts due from related companies		<b>98</b>	82
Amount due from an associate		<b>15,530</b>	20,303
Loan to an associate		–	–
Tax recoverable		<b>1,506</b>	1,367
Pledged bank deposits		<b>5,472</b>	5,767
Bank balances and cash		<b>27,331</b>	30,374
		<b>206,249</b>	278,270
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>70,405</b>	77,433
Contract liabilities		<b>4,682</b>	5,869
Amounts due to related companies		<b>163</b>	56
Derivative financial instruments		–	881
Lease liabilities		<b>35,816</b>	34,492
Bank and other borrowings		<b>597,224</b>	775,896
Tax payables		<b>1,346</b>	3,725
		<b>709,636</b>	898,352
Net current liabilities		<b>(503,387)</b>	(620,082)
Total assets less current liabilities		<b>515,753</b>	473,883

	<i>Note</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
Non-current liabilities			
Long service payment obligations		<b>2,368</b>	1,951
Lease liabilities		<b>18,988</b>	23,130
Deferred tax liabilities		<b>725</b>	509
		<b>22,081</b>	25,590
Net assets		<b>493,672</b>	448,293
Capital and reserves			
Share capital	<i>13</i>	<b>4,039</b>	4,039
Reserves		<b>489,633</b>	444,254
Total equity		<b>493,672</b>	448,293

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2024*

## 1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### Corporate information

The Company was incorporated in the Cayman Islands on 20 November 2002 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 May 2017. The address of the registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and the principal place of business in Hong Kong is 19/F., YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Directors consider the immediate holding company and ultimate holding company are CKK Investment Limited and Amazing Gain Limited respectively, which are incorporated in the British Virgin Islands (the “**BVI**”). The Group has been under the control and beneficially owned by Cheung Family Trust, Mr. CHEUNG King Shek, Mr. CHEUNG King Shan, Mr. CHEUNG King Chuen Bobby and Mr. CHEUNG King Fung Sunny since 1 April 2013. The Company is engaged in investment holding while the principal subsidiaries are principally engaged in product business in sales of electronic devices and other consumer goods and related services, provision of operation services and property investments.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is the Company’s functional and presentation currency. Other than the subsidiaries established in the People’s Republic of China (the “**PRC**”) and Macau which functional currencies are Renminbi (“**RMB**”) and Macau Pataca respectively, the functional currency of the Company and other subsidiaries is HK\$.

### Basis of preparation

As at 31 March 2024, the Group had net current liabilities of HK\$503,387,000. The consolidated financial statements have been prepared by the Directors on a going concern basis after taken into consideration of the followings:

- (i) the unutilised banking facilities readily available to the Group amounted to HK\$280,135,000 as at 31 March 2024;

- (ii) out of the secured bank borrowings of HK\$562,229,000, bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause and shown under current liabilities amounted to HK\$411,615,000.

All of the bank borrowings were secured by the ownership interests in leasehold land and buildings included in property, plant and equipment, investment properties, financial assets at FVTPL and certain pledged bank deposits with carrying amounts of HK\$344,642,000, HK\$523,390,000, HK\$32,245,000 and HK\$336,000 respectively. Its repayment is expected to be fully recovered through the realisation of these assets when the repayment on demand clause be exercised.

The Group will continuously comply with financial covenants and other terms and conditions of the secured bank borrowings, including timely repayment of principal and interest of the bank borrowings; and

- (iii) the Group is expected to generate sufficient working capital to meet its financial obligations as and when they fall due not less than twelve months.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”)

### Application of new and amendments to HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning on 1 April 2024.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance Contracts</i>
Amendments to Hong Kong Accounting Standard (“HKAS”) 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform-Pillar Two Model Rules</i>

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

### **Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 – *Disclosure of Accounting Policies***

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies.

### **Impact on application of Amendments to HKAS 12 – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax assets (provided that sufficient taxable profit is available) and a deferred tax liability for temporary difference arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The amendments had no material impact on the consolidated financial statements of the Group.

### **Amendments to HKFRSs issued but not yet effective**

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback<sup>1</sup></i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause<sup>1</sup></i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants<sup>1</sup></i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements<sup>1</sup></i>
Amendments to HKAS 21	<i>Lack of Exchangeability<sup>2</sup></i>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2024.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2025.*

<sup>3</sup> *Effective for annual periods beginning on or after a date to be determined.*

The Directors anticipate that the application of the above amendments to HKFRSs will have no material impact on the results and the financial position of the Group.



### 3. REVENUE

Revenue represents revenue arising from product business in sales of electronic devices and other consumer goods and related services, provision of operation services and property investments, net of discounts, where applicable. An analysis of the Group's revenue for the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<b>Disaggregated by major products or services lines</b>		
– Sales of goods		
Product business	1,016,464	1,161,715
– Services rendered		
Product business	6,896	7,646
Operation services	306,297	325,190
Others	21,129	25,992
	<u>1,350,786</u>	<u>1,520,543</u>
<b>Revenue from other sources</b>		
– Rental income for investment properties under operating lease with fixed lease payments ( <i>Note</i> )	<u>21,981</u>	<u>14,909</u>
	<u><u>1,372,767</u></u>	<u><u>1,535,452</u></u>

*Note:* Rental income from related companies amounted to HK\$9,896,000 (2023: HK\$2,228,000) are included in revenue.

## Disaggregation of revenue from contracts with customers by timing of recognition

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
At a point of time	1,022,687	1,168,619
Over time	<u>328,099</u>	<u>351,924</u>
	<u><u>1,350,786</u></u>	<u><u>1,520,543</u></u>

## Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 March 2024 and 2023, all of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at the end of both reporting periods.

## 4. SEGMENT INFORMATION

The Group's chief operating decision maker ("CODM") has been identified as the executive directors of the Company. The information reported to the CODM for purposes of resource allocation and performance assessment focuses specifically on respective businesses of the Group. The Directors have chosen to organise the Group around differences in products and services. The Group's operating and reportable segments are as follows:

Product business	–	Sales of electronic devices and other consumer goods and related services
Operation services	–	Provision of operation services
Property investments	–	Investment properties held for capital appreciation or to earn rentals

In addition to the operating segments described above, each of which constitutes a reportable segment, the Group has other operating segment which is engaged in paging and other telecommunications service. As this segment does not meet any of quantitative thresholds for determining reportable segment in both reporting periods. Accordingly, the above operating segment is classified under "**Other segment**".

The CODM makes decisions based on the operating results of each segment. No information of segment assets and liabilities is reviewed by the CODM for both years for the assessment of the performance of operating segments. Therefore, only the segment revenue and segment results are presented.

## Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

### For the year ended 31 March 2024

	Product business <i>HK\$'000</i>	Operation services <i>HK\$'000</i>	Property Investments <i>HK\$'000</i>	Other segment <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue</b>						
External sales	1,023,360	306,297	21,981	21,129	–	1,372,767
Inter-segment sales	581	–	3,221	18	(3,820)	–
<b>Segment revenue</b>	<b>1,023,941</b>	<b>306,297</b>	<b>25,202</b>	<b>21,147</b>	<b>(3,820)</b>	<b>1,372,767</b>
<b>Segment results</b>	<b>62,670</b>	<b>43,613</b>	<b>(2,758)</b>	<b>5,288</b>		<b>108,813</b>
Bank interest income						163
Finance costs						(43,742)
Share of results of associates						9,205
Loss on change in fair value of financial assets at FVTPL						(12,651)
Gain on change in fair value of derivative financial instruments						587
Unallocated gain on disposal of property, plant and equipment						38,201
Corporate expenses, net						(29,208)
<b>Profit before tax</b>						<b>71,368</b>

### For the year ended 31 March 2023

	Product business <i>HK\$'000</i>	Operation services <i>HK\$'000</i>	Property Investments <i>HK\$'000</i>	Other segment <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue</b>						
External sales	1,169,361	325,190	14,909	25,992	–	1,535,452
Inter-segment sales	322	–	4,648	64	(5,034)	–
<b>Segment revenue</b>	<b>1,169,683</b>	<b>325,190</b>	<b>19,557</b>	<b>26,056</b>	<b>(5,034)</b>	<b>1,535,452</b>
<b>Segment results</b>	<b>78,213</b>	<b>63,883</b>	<b>(8,496)</b>	<b>1,728</b>		<b>135,328</b>
Bank interest income						170
Finance costs						(25,733)
Share of results of associates						11,328
Loss on change in fair value of financial assets at FVTPL						(6,375)
Loss on change in fair value of derivative financial instruments						(587)
Corporate expenses, net						(22,467)
<b>Profit before tax</b>						<b>91,664</b>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represented the profit earned by (loss from) each segment without allocation of bank interest income, finance costs, share of results of associates, loss on change in fair value of financial assets at FVTPL, gain (loss) on change in fair value of derivative financial instruments, certain other income and gains, corporate expenses and directors' and chief executive's emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

### Other segment information

#### For the year ended 31 March 2024

	Product business <i>HK\$'000</i>	Operation services <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Other segment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss:						
Depreciation of property, plant and equipment	14,653	-	-	492	12,837	27,982
Depreciation of right-of-use assets	46,813	-	-	-	-	46,813
Depreciation of investment properties	-	-	19,311	-	-	19,311
Reversal of allowance for inventories	(15)	-	-	-	-	(15)
Loss (gain) on disposal of property, plant and equipment	88	-	-	-	(38,201)	(38,113)
Loss on written off of inventories	55	-	-	-	-	55
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Share of results of associates	-	(9,205)	-	-	-	(9,205)
Dividend income from financial assets at FVTPL	-	-	-	-	(1,526)	(1,526)
Finance costs	7,801	30,687	1,257	2,134	1,863	43,742
Income tax expense	7,823	5,150	688	1,126	202	14,989
	<u>7,823</u>	<u>5,150</u>	<u>688</u>	<u>1,126</u>	<u>202</u>	<u>14,989</u>

For the year ended 31 March 2023

	Product business <i>HK\$'000</i>	Operation services <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Other segment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss:						
Depreciation of property, plant and equipment	19,178	346	–	492	12,216	32,232
Depreciation of right-of-use assets	47,049	–	–	–	–	47,049
Depreciation of investment properties	–	–	17,429	–	–	17,429
Allowance for inventories	279	–	–	–	–	279
(Gain) loss on disposal of property, plant and equipment	(30)	394	–	–	–	364
Loss on written off of inventories	18	–	–	–	–	18
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Share of results of associates	–	(11,328)	–	–	–	(11,328)
Interest income from financial assets at FVTPL	–	–	–	–	(1,343)	(1,343)
Dividend income from financial assets at FVTPL	–	–	–	–	(930)	(930)
Finance costs	5,386	9,504	7,801	1	3,041	25,733
Income tax expense	6,307	8,457	409	511	400	16,084

### Geographical information

No geographical information is presented as the Group's operations and all of its non-current assets are located in Hong Kong.

## Information about major customers

Details of the customer contributing over 10% of total revenue of the Group are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A <sup>1</sup>	303,494	324,675
Customer B <sup>2</sup>	284,999	235,494
Customer C <sup>2</sup>	N/A <sup>3</sup>	192,879

<sup>1</sup> Revenue from operation services.

<sup>2</sup> Revenue from product business.

<sup>3</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 5. OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	163	170
Interest income from financial assets at FVTPL	–	1,343
Dividend income from financial assets at FVTPL	1,526	930
Other interest income	–	352
Gain on disposal of property, plant and equipment, net	38,113	–
Government grants		
– Employment Support Scheme (“ESS”) (Note a)	1,152	11,016
– Others	–	159
Handling income	1,213	1,249
Leasing income (Note b)	–	214
Reversal of impairment loss on receivable from disposal of an associate	–	1,380
Others	1,220	504
	<u>43,387</u>	<u>17,317</u>

Notes:

- (a) The amount represented salaries and wages subsidies granted related to ESS provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There were no unfulfilled conditions or contingencies attached to the grant.
- (b) For the year ended 31 March 2023, leasing income represented the operating leases of a sub-letting part of the rented service outlet with fixed lease payments, and incurred direct operating expenses of HK\$35,000.

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on:		
– bank and other borrowings	39,336	23,056
– lease liabilities	<u>4,406</u>	<u>2,677</u>
	<u><b>43,742</b></u>	<u><b>25,733</b></u>

## 7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
– current year	14,659	19,424
– under (over) provision in respect of the prior year	<u>103</u>	<u>(2,765)</u>
	<u><b>14,762</b></u>	<u><b>16,659</b></u>
PRC Enterprise Income Tax		
– current year	<u>11</u>	<u>12</u>
Deferred tax		
– current year	<u>216</u>	<u>(587)</u>
	<u><b>14,989</b></u>	<u><b>16,084</b></u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of certain PRC subsidiaries is 25% for the year ended 31 March 2024 (2023: 25%).

Under relevant PRC EIT Law, for PRC enterprises that qualifies for small enterprises, annual taxable income below RMB3 million and thin-profit enterprises with an annual taxable income of RMB1 million or less are applicable to the effective tax rate of 5%. Where their annual taxable income exceeds RMB1 million but does not exceed RMB3 million, the RMB1 million portion will be subject to an effective tax rate of 5%, whereas the excess portion will be subject to the effective tax rate of 10%.

During the years ended 31 March 2024 and 2023, no Macau Complementary Income Tax has been provided since there were no assessable profits generated.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.



## 8. PROFIT FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year is arrived at after charging (crediting):		
Directors' and Chief Executive's emoluments		
– fees	360	360
– salaries, allowances and other benefits	9,067	9,053
– discretionary bonuses	2,530	1,354
– contributions to retirement benefits scheme	90	107
	<u>12,047</u>	<u>10,874</u>
Other staff costs		
– salaries, allowances and other benefits	172,136	174,775
– contributions to retirement benefits scheme	6,594	6,948
– provision for long service payments	551	420
	<u>179,281</u>	<u>182,143</u>
Total staff costs	<u><u>191,328</u></u>	<u><u>193,017</u></u>
Written off of inventories ( <i>Note a</i> )	55	18
Allowance for inventories ( <i>Note a</i> )	–	279
Reversal of allowance for inventories ( <i>Note a</i> )	(15)	–
Auditor's remuneration ( <i>Note b</i> )	1,000	1,100
Depreciation of property, plant and equipment	27,982	32,232
Depreciation of investment properties	19,311	17,429
Depreciation of right-of-use assets	46,813	47,049
(Gain) loss on disposal of property, plant and equipment, net	(38,113)	364
Share of income tax expenses of associates	<u>1,519</u>	<u>1,869</u>

### Notes:

(a) These expenses are included in “Cost of inventories sold” in profit or loss.

(b) These expenses are included in “Other operating expenses” in profit or loss.

## 9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2021/22 fourth quarter interim dividend of HK\$0.06 per share	–	24,225
2022/23 first quarter interim dividend of HK\$0.03 per share	–	12,113
2023/24 first quarter interim dividend of HK\$0.03 per share	<u>12,113</u>	<u>–</u>
	<u><b>12,113</b></u>	<u><b>36,338</b></u>

Subsequent to the end of the reporting period, the Directors has resolved to declare the fourth quarter (“Q4”) interim dividend of HK\$0.04 per share in respect of the year ended 31 March 2024 (2023: Nil).

## 10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u><b>56,379</b></u>	<u><b>75,580</b></u>
	<b>2024</b> <i>'000</i>	<b>2023</b> <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><b>403,753</b></u>	<u><b>403,753</b></u>

The diluted earnings per share for the years ended 31 March 2024 and 2023 are the same as basic earnings per share as there are no potential dilutive ordinary shares outstanding during the year or at the end of the reporting period.

## 11. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade and lease receivables	3,223	3,117
Other receivables ( <i>Note</i> )	15,612	6,161
Rental deposits	22,379	22,993
Prepayments for addition of property, plant and equipment	3,400	427
Utility and other deposits	8,184	8,132
Prepayments to suppliers	5,130	3,106
Other prepayments	3,426	4,266
	<u>61,354</u>	<u>48,202</u>
<i>Less:</i> Prepayments for addition of property, plant and equipment classified as non-current assets	(3,400)	(427)
Rental deposits classified as non-current assets	(9,215)	(9,051)
	<u>48,739</u>	<u>38,724</u>

*Note:* The amounts mainly comprised credit card receivables from financial institutions which are expected to be recovered within one year from the end of the reporting period.

The Group does not hold any collateral over these balances.

As at 31 March 2024, the gross amount of trade receivables arising from contracts with customers amounted to HK\$2,466,000 (2023: HK\$2,875,000).

The Group allows an average credit period ranging from 7 to 30 days (2023: 7 to 30 days) to its trade customers. The following is an ageing analysis of trade and lease receivables presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition date.

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 90 days	<b>2,477</b>	3,011
91-180 days	<b>367</b>	91
181-365 days	<b>272</b>	6
Over 365 days	<b>107</b>	9
	<u><b>3,223</b></u>	<u>3,117</u>

As at 31 March 2024, HK\$746,000 (2023: HK\$106,000) are past due and is not considered as in default due to the Group are negotiating the payment terms for the customers.

## 12. TRADE AND OTHER PAYABLES

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>44,486</b>	50,647
Accrued payroll	<b>8,469</b>	9,606
Accrued expenses and other payables ( <i>Note</i> )	<b>17,450</b>	17,180
	<u><b>70,405</b></u>	<u>77,433</u>

The average credit period on trade payables is 10-30 days (2023: 10-30 days). The Group has financial risk management policies to ensure that all payables are paid within credit time-frame. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 60 days	<b>43,679</b>	49,414
61-90 days	<b>36</b>	34
Over 90 days	<b>771</b>	1,199
	<u><b>44,486</b></u>	<u>50,647</u>

*Note:* As at 31 March 2024, rental deposit received from related companies amounted to HK\$2,395,000 (2023: HK\$1,397,000) are included in accrued expenses and other payables.

### 13. SHARE CAPITAL

	<b>Number of shares</b>	<b>Share capital <i>HK\$'000</i></b>
<b>Ordinary shares of HK\$0.01 each</b>		
<b>Authorised:</b>		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>10,000,000,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>403,753,000</u>	<u>4,039</u>

#### 14. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

Reference is made to the announcements of the Company dated 16 February 2022, 8 March 2022, 10 March 2022 and 16 May 2022 and the circular of the Company dated 14 April 2022 in respect of the major transaction in relation to acquisition of Onbo International Limited (“**Onbo**”). On 16 May 2022, the Group acquired 100% of issued share capital of, Onbo at a consideration HK\$735,437,000. Onbo directly holds the whole block of Wider Industrial Building, No. 58 Tsun Yip Street, Kowloon, Hong Kong.

The Group elected to apply the optional concentration test in accordance with HKFRS 3 *Business Combinations*. This acquisition has been accounted for as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets (investment properties). The assets acquired and liabilities assumed at the date of acquisition of subsidiary comprise the following:

	<b>HK\$'000</b>
Investment properties	355,164
Property, plant and equipment	381,048
Trade receivables	4
Prepayment and other receivables	1,998
Other payables and accruals	<u>(2,777)</u>
	<b><u>735,437</u></b>

#### Net cash outflow arising on acquisition of Onbo

	<b>HK\$'000</b>
Consideration paid in cash	735,437
Less: Deposits paid for the year ended 31 March 2023	<u>(73,315)</u>
	<b><u>662,122</u></b>

*Note:* The property, plant and equipment and investment properties were stated at cost less subsequent accumulated depreciation and any accumulated impairment losses.

## 15. OPERATING LEASING ARRANGEMENTS

### The Group as lessor

The Group sub-leases part of its rented service outlets and leases out its investment properties during the years ended 31 March 2024 and 2023. The leases are rented to third parties under operating leases with leases negotiated for a term of one to three years (2023: one to three years) as at 31 March 2024. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	8,956	5,986
After one year but within two years	6,131	3,167
After two years but within three years	<u>673</u>	<u>2,764</u>
	<u><u>15,760</u></u>	<u><u>11,917</u></u>

## 16. CAPITAL COMMITMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	<u><u>2,341</u></u>	<u><u>16,069</u></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY OVERVIEW**

In the past year, the telecommunications industry in Hong Kong continued to be driven by the development and widespread of the 5G network and related devices in the Hong Kong market. As of February 2024, the subscription rate of mobile communication services reached 24.95 million, with the mobile subscriber penetration rate of 323.7%. Additionally, subscriptions for 2.5G/3G/4G/5G mobile broadband services amounted to approximately 24.94 million. In terms of mobile data usage in Hong Kong, it escalated to a record high of approximately 195,792 Terabytes as of December 2023, representing a growth of approximately 24.4% and approximately 70.5% from December 2022 and 2021, respectively (according to statistics reports from the Office of the Communications Authority). All these underscore the continuous expansion of the telecommunication services market.

Throughout the previous year, the Group has remained dedicated to strengthening its market position by enhancing the retail network and diversing product portfolio to meet evolving consumer needs and preferences. As a result, the Group has achieved satisfactory results and maintained its market position despite the fiercely competitive business environment.

### **BUSINESS REVIEW**

The Group is one of the leading comprehensive telecommunications service providers in Hong Kong and principally engaged in four business segments, including (i) sales of electronic devices and other consumer goods and related services; (ii) provision of operation services to Sun Mobile Limited (“**SUN Mobile**”), an associate owned as to 40% by the Group and as to 60% by HKT Limited; (iii) property investments; and (iv) other segment comprising primarily provision of paging and other telecommunication services in Hong Kong.

Throughout the last financial year, the overall business environment has remained challenging and difficult. The economic recovery from the COVID-19 pandemic has yet to recover fully and has encountered various challenges. For the year ended 31 March 2024, the Group recorded a revenue of approximately HK\$1,372.77 million (2023: HK\$1,535.45 million) and net profit of approximately HK\$56.38 million (2023: HK\$75.58 million).



The Group completed the renovation and upgrade of its 13-storey revitalized industrial building in Kwun Tong in 2023. The whole block of the building has a gross floor area of approximately 97,314 square feet and as at the date of this announcement, around 64% of the building has been leased out and around 25% has been reserved as the Group's headquarter.

## FINANCIAL REVIEW

### Segment Analysis

	Year ended 31 March			
	2024		2023	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Product business	<b>1,023,360</b>	<b>74.6</b>	1,169,361	76.2
Operation services	<b>306,297</b>	<b>22.3</b>	325,190	21.2
Property investments	<b>21,981</b>	<b>1.6</b>	14,909	0.9
Other segment	<b>21,129</b>	<b>1.5</b>	25,992	1.7
	<u><b>1,372,767</b></u>	<u><b>100.0</b></u>	<u>1,535,452</u>	<u>100.0</u>
Total revenue	<u><b>1,372,767</b></u>	<u><b>100.0</b></u>	<u>1,535,452</u>	<u>100.0</u>

### Revenue

The Group's revenue for the year ended 31 March 2024 was approximately HK\$1,372.77 million (2023: HK\$1,535.45 million), representing a decrease of approximately 10.6% over the previous year. The decrease in the Group's revenue was mainly due to decrease in revenue generated from product business.

The Group operates a network of 73 retail shops. During the year ended 31 March 2024, revenue from product business was approximately HK\$1,023.36 million. It remained the major source of revenue of the Group.

Revenue from the operation services segment declined by approximately 5.8% to approximately HK\$306.30 million for the year ended 31 March 2024 as compared to the previous year. The decrease was mainly due to the keen market competition of mobile telecommunications services.

Rental income from investment properties amounted to approximately HK\$21.98 million for the year ended 31 March 2024, a year-on-year increase of approximately 47.4%. The increase was mainly due to the rental income generated from the building acquired in May 2022. As at the date of this announcement, around 64% of the building has been leased out.

Revenue from the other segment comprises mainly the provision of paging and other telecommunication services of approximately HK\$21.13 million. Revenue decreased approximately 18.7% compared to the corresponding period of the previous year. This was primarily due to the decrease in paging income.

### **Other Income and Gains**

Other income and gains for the year ended 31 March 2024 were approximately HK\$43.39 million (2023: HK\$17.32 million), representing a substantial increase of approximately 150.5% compared to the previous year. The increase was primarily due to the gain on disposal of a property of approximately HK\$38.10 million (2023: Nil) off-set by a decrease in the receipt of government grants on the Employment Support Scheme and other subsidies from approximately HK\$11.02 in the last year to approximately HK\$1.15 million. Apart from the gain on disposal of property, plant and equipment and government grants, other income and gains of the year mainly comprised dividend income from investment in financial assets, bank interest income, handling income and leasing income.

## **Other Operating Expenses**

The Group's other operating expenses mainly consisted of rental expenses, utilities and running expenses of retail shops and customer service centre, information fees in respect of horse racing, football matches and the stock market, advertising and promotion expenses, operation fees for a paging centre, repair cost for pagers, roaming charges, bank charges, audit and professional fees and other office expenses. Other operating expenses for the year ended 31 March 2024 were approximately HK\$106.16 million (2023: HK\$113.60 million), representing a decrease of approximately 6.5% over the previous year.

The decrease was mainly brought by the decrease in information fees and rental expenses. The rental expenses decreased in the review year mainly due to the reduction in the number of retail shops. As at the date of this announcement, the Group is operating 73 retail shops in Hong Kong (2023: 77 retail shops). The decrease in information fees was mainly due to the decrease in financial data charged by HKEx Information Services Limited by reference to the usage of information.

## **Share of Results of Associates**

The share of results of associates for the year was approximately HK\$9.21 million (2023: HK\$11.33 million), representing a decrease of approximately 18.7% as compared to the previous year. The amount mainly represents our share of the net profit of SUN Mobile. The decrease was mainly due to the decrease in revenue of SUN Mobile.

## **Finance Costs**

The finance cost is mainly comprised of interest on bank and other borrowings and interest on lease liabilities. The Group's bank borrowings were substantially increased from the second quarter of 2022. The increased loans were mainly used to acquire a building in May 2022 through the acquisition of a subsidiary. The consideration paid for the acquisition was approximately HK\$735.44 million. Except for the above, there was no significant change in the Group's bank and other borrowings for the year ended 31 March 2024.

Interest on bank and other borrowings for the year ended 31 March 2024 was approximately HK\$39.34 million (2023: HK\$23.06 million). It was mainly consisted of interest expenses on interest-bearing bank and other borrowings to support the Group's daily operation and business expansion. The interest expenses on lease liabilities for the year ended 31 March 2024 was approximately HK\$4.41 million (2023: HK\$2.68 million).

### **Income Tax Expense**

Income tax expense for the year ended 31 March 2024 was approximately HK\$14.99 million (2023: HK\$16.08 million), representing a decrease of approximately 6.8%. The decrease was mainly due to the decrease in profit before tax.

### **Profit for the Year Attributable to the Owners of the Company**

Profit attributable to the owners of the Company for the year ended 31 March 2024 was approximately HK\$56.38 million (2023: HK\$75.58 million), representing a decrease of approximately 25.4% as compared to the previous year.

The profit decline was mainly attributable to the combined effect of the following factors, (i) decrease in gross profit; (ii) increase in finance costs due to the increase in bank and other borrowings and the impact on interest rate hiked; (iii) increase in loss on change in fair value of financial assets at fair value through profit or loss; (iv) decrease in government grants on Employment Support Scheme and (v) increase in gain on disposal of a property.

### **Investments in Financial Assets**

As at 31 March 2024, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$32.25 million (2023: HK\$58.86 million), representing approximately 2.6% of the total assets of the Group as at 31 March 2024. The Group will continuously monitor the movement of prices in securities and may adjust its investment portfolio as and when appropriate.

### ***Listed Equity Securities Investment***

The following table sets out the listed equity securities investment held by the Group as at 31 March 2024.

<b>Stock name</b>	<b>HKEX</b> <i>(Note)</i>	<b>CM Bank</b> <i>(Note)</i>
Number of securities held as at 31 March 2024	87,536	397,549
Approximate percentage held to the total issued share capital in the investment company	0.0069%	0.0087%
Fair value as at 31 March 2023 <i>(HK\$'000)</i>	40,919	17,943
Proceeds from disposal during the year ended 31 March 2024 <i>(HK\$'000)</i>	(11,348)	(2,618)
Fair value loss for the year ended 31 March 2024 <i>(HK\$'000)</i>	(9,630)	(3,021)
Fair value as at 31 March 2024 <i>(HK\$'000)</i>	19,941	12,304
Approximate percentage of total assets of the Group as at 31 March 2024	1.6%	1.0%
Dividend income during the year ended 31 March 2024 <i>(HK\$'000)</i>	<u>775</u>	<u>751</u>

*Note:*

<b>Stock short name</b>	<b>Stock code</b>	<b>Company name</b>
HKEX	00388.HK	Hong Kong Exchanges and Clearing Limited
CM BANK	03968.HK	China Merchants Bank Company Limited

### ***The Group's Investment Strategy for These Investments***

The Company's investment objective is to generate stable additional interest or dividend income. Our strategy for these investments is to make investments in the prospects of primarily reputable sizeable issuers on recognisable stock exchange for creating values for the shareholders of the Company ("**Shareholders**"), with the risks involved balanced and moderated by the diversity of the portfolio and the corporate governance and disclosures of such issuers.

The Group takes into account the following criteria for investment decisions: (i) potential return on investment in terms of capital appreciation and dividend payment; (ii) risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

### **Liquidity and Financial Resources**

As at 31 March 2024, the Group had net current liabilities of approximately HK\$503.39 million (2023: HK\$620.08 million) and had cash and cash equivalents of approximately HK\$27.33 million (2023: HK\$30.37 million).

The Group had a current ratio of approximately 0.29 as at 31 March 2024 comparing to that of approximately 0.31 as at 31 March 2023. As at 31 March 2024, the Group's gearing ratio was approximately 121.0% as compared to approximately 173.1% as at 31 March 2023, which was calculated based on the Group's total borrowings (including bank and other borrowings and amounts due to related companies) of approximately HK\$597.39 million (2023: HK\$775.95 million) and the Group's total equity of approximately HK\$493.67 million (2023: HK\$448.29 million). The Group's total cash at banks as at 31 March 2024 amounted to approximately HK\$27.33 million (2023: HK\$30.37 million).

Apart from providing working capital to support its business development, the Group also has available banking facilities to meet potential needs for business expansion and development. As at 31 March 2024, the Group had unutilised banking facilities of approximately HK\$280.14 million available for further drawdown should it have any further capital needs. The cash at banks together with the available banking facilities can provide adequate liquidity and capital resources for the ongoing operating requirements of the Group.

## Contingent Liabilities

As at 31 March 2024, the Group did not have any material contingent liabilities (2023: Nil).

## Foreign Currency Risk

The majority of the Group's business are in Hong Kong and are denominated in Hong Kong dollars, Renminbi and United States dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## Capital Commitments

Details of the Group's capital commitments are set out in Note 16 to this announcement.

## Dividends

	Year ended 31 March			
	2024		2023	
	<i>HK\$</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$'000</i>
	<i>per share</i>	<i>(audited)</i>	<i>per share</i>	<i>(audited)</i>
Dividends recognised as distribution during the year:				
2021/22 fourth quarter interim dividend	–	–	0.06	24,225
2022/23 first quarter interim dividend	–	–	0.03	12,113
2023/24 first quarter interim dividend	<b>0.03</b>	<b>12,113</b>	–	–
		<b>12,113</b>		<b>36,338</b>

At a meeting held on 26 June 2024, the Board has resolved to declare the Q4 interim dividend of HK\$0.04 per share in respect of the year ended 31 March 2024 (2023: Nil).

## **Capital Structure**

There was no change in the capital structure during the year ended 31 March 2024.

The capital structure of the Group consists of bank borrowings net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves. The management reviews the capital structure regularly. As part of the review, they consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the redemption of existing debt.

## **Material Acquisitions and Disposals**

Except as disclosed in follow, the Group did not make any material acquisitions or disposals of properties and subsidiaries during the year ended 31 March 2024.

### ***For the year ended 31 March 2024:***

On 8 August 2023, the Group entered into a provisional agreement with Tai Yip Investments No. 9 Limited (the “**Purchaser**”) and the Group agreed to sell and the Purchaser agreed to purchase the property situated at godown B and loading space no. C4 and C5 on the 3rd floor of Sunshine Kowloon Bay Cargo Centre, 59 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong at the consideration of HK\$83.20 million. The completion took place on 22 September 2023. For details, please refer to the announcements of the Company dated 8 August 2023 and 22 September 2023.



***For the year ended 31 March 2023:***

On 16 February 2022, the Group entered into a provisional agreement with Metro Rider Investment Limited (the “**Vendor**”) and the Group conditionally agreed to acquire and the Vendor conditionally agreed to sell 100% of the issued share capital of Onbo International Limited at the consideration of HK\$733.00 million. All the conditions precedent to the provisional agreement had been fulfilled and completion took place on 16 May 2022. For details, please refer to the announcements of the Company dated 16 February 2022, 8 March 2022, 10 March 2022 and 16 May 2022 and the circular of the Company dated 14 April 2022.

**Employees and Remuneration Policies**

As at 31 March 2024, the Group employed 554 (2023: 577) full-time employees including management, administration, operation and technical staff. The employees’ remuneration, promotion and salary increments are assessed based on both individual’s and the Group’s performance, professional and working experience and by reference to prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

**OUTLOOK**

Due to the persistent inflationary environment in various regions, the implementation of stricter monetary policies and the ongoing global geopolitical risk, the overall global economy is only able to recover at a slower pace. Looking ahead, the global economy is facing downward pressure, and the uncertain business environment presents new challenges for enterprises.

Going forward, the Group will adopt a cautiously optimistic approach, expand its business in a prudent manner while also focus on cost control and cost efficiency. The Group will also continue to enhance the shopping experience and provide the best service quality to its customers. The Group will also actively explore new business opportunities that align with our core business, seeking to establish a high-quality development for the Group to bring long-term and sustainable value to the Shareholders.

## **CORPORATE GOVERNANCE PRACTICES**

Throughout the financial year ended 31 March 2024 (the “**Financial Year**”), the Company had complied with the code provisions in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and, where appropriate, adopted the recommended best practices as set out in the CG Code, except the deviation as disclosed below:

- According to the Code Provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the Reporting Period, the chief executive officer and chief financial officer of the Group have provided and will continue to provide to all members of the Board with updates on any material changes to the performance, position and prospects of the Company, which is considered with sufficient details to provide the general updates of the Company to the Board and allow them to give a balanced and understandable assessment of the same to serve the purpose required by the Code Provision D.1.2 of CG Code and/or the respective Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions. In response to the specific enquires made by the Company on all Directors, they have confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Financial Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as otherwise disclosed, no transaction, arrangement or contract of significance to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the end of the year ended 31 March 2024 or at any time during that year.

## **FOURTH QUARTER INTERIM DIVIDEND**

The Board resolved to declare a Q4 interim dividend of HK\$0.04 per Share (2023Q4: Nil) in cash, amounting to approximately HK\$16.15 million for the year ended 31 March 2024, which is expected to be payable on 26 July 2024 to Shareholders whose names appear on the Register of members of the Company on 16 July 2024.

In order to determine Shareholders who qualify for the proposed the Q4 interim dividend, the register of members of the Company will be closed from 15 July 2024 to 16 July 2024, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on 12 July 2024. Shareholders whose names are recorded in the register of members of the Company on 16 July 2024 are entitled to receive the Q4 interim dividend in cash for the Financial Year.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company (the "AGM") will be held on Friday, 20 September 2024. The notice of the AGM will be despatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

### **In relation to the AGM**

The register of members of the Company will be closed from Monday, 16 September 2024 to Friday, 20 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, the non-registered Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the Company's share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 13 September 2024.

## **AUDIT COMMITTEE'S REVIEW**

The Company has established an audit committee of the Board (the “**Audit Committee**”) in accordance with the Listing Rules to fulfill the functions of reviewing and providing supervision over the Company’s financial reporting process, internal control and risk management. The Audit Committee recently comprises three independent non-executive Directors (“**INEDs**”), and one of the INED acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited consolidated final results of the Group for the Financial Year, which have been audited by the Group’s auditor, Messrs. SHINEWING (HK) CPA Limited, as well as the internal control and risk management.

## **PUBLICATION OF 2023/2024 FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the respective websites of the Company (www.tdhl.cc) and the Stock Exchange (www.hkexnews.hk). The 2023/2024 annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange above in due course in the manner as required by the Listing Rules.

By Order of the Board  
**Telecom Digital Holdings Limited**  
**CHEUNG King Shek**  
*Chairman*

Hong Kong, 26 June 2024

*As at the date of this announcement, the executive directors of the Company are Messrs. CHEUNG King Shek, CHEUNG King Shan, CHEUNG King Chuen Bobby, CHEUNG King Fung Sunny, WONG Wai Man and Ms. MOK Ngan Chu and the independent non-executive directors of the Company are Messrs. LAM Yu Lung, LAU Hing Wah and LO Kam Wing.*

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