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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 2025

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 2025 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 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	1,331,596	1,372,767
Cost of inventories sold		(932,443)	(906,596)
Staff costs		(188,233)	(191,328)
Depreciation		(97,960)	(94,106)
Other income and gains	5	7,743	43,387
Other operating expenses		(93,092)	(106,155)
Reversal of impairment loss on investment properties		1,047	–
Gain (loss) on change in fair value:			
– financial assets at fair value through profit or loss (“FVTPL”)		15,106	(12,651)
– derivative financial instruments		(642)	587
Share of results of associates		20,615	9,205
Finance costs	6	(36,867)	(43,742)
Profit before tax		26,870	71,368
Income tax expense	7	(4,253)	(14,989)
Profit for the year attributable to owners of the Company	8	22,617	56,379

		2025	2024
	Note	HK\$'000	HK\$'000
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		389	1,591
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss on long service payment obligations		<u>(1,930)</u>	<u>(478)</u>
Other comprehensive (expense) income for the year		<u>(1,541)</u>	<u>1,113</u>
Total comprehensive income for the year attributable to owners of the Company		<u>21,076</u>	<u>57,492</u>
Earnings per share (HK\$)	10		
Basic		<u>0.06</u>	<u>0.14</u>
Diluted		<u>0.06</u>	<u>0.14</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		305,658	408,657
Right-of-use assets		42,143	51,346
Investment properties		609,500	523,390
Club membership		1,560	1,560
Interests in associates		30,248	21,572
Rental deposits	11	6,789	9,215
Prepayments for addition of property, plant and equipment	11	1,895	3,400
		<u>997,793</u>	<u>1,019,140</u>
Current assets			
Inventories		86,305	75,328
Financial assets at FVTPL		34,761	32,245
Derivative financial instruments		394	–
Trade and other receivables	11	45,032	48,739
Amounts due from related companies		46	98
Amount due from an associate		8,092	15,530
Loan to an associate		–	–
Tax recoverable		7,549	1,506
Pledged bank deposits		4,966	5,472
Bank balances and cash		22,691	27,331
		<u>209,836</u>	<u>206,249</u>
Current liabilities			
Trade and other payables	12	80,959	70,405
Contract liabilities		4,332	4,682
Amounts due to related companies		421	163
Derivative financial instruments		1,036	–
Lease liabilities		31,492	35,816
Bank and other borrowings		583,746	597,224
Tax payables		577	1,346
		<u>702,563</u>	<u>709,636</u>
Net current liabilities		<u>(492,727)</u>	<u>(503,387)</u>
Total assets less current liabilities		<u>505,066</u>	<u>515,753</u>

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Long service payment obligations		3,653	2,368
Lease liabilities		13,763	18,988
Deferred tax liabilities		1,165	725
		18,581	22,081
Net assets		486,485	493,672
Capital and reserves			
Share capital	13	4,039	4,039
Reserves		482,446	489,633
Total equity		486,485	493,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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 P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KT1-1205, Cayman Islands and the principal place of business in Hong Kong is 10/F., Telecom Digital Tower, 58 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Directors consider the immediate holding company and ultimate holding company are CKK Investment Limited and KW Cheung Family Holdings Limited respectively, which are incorporated in the British Virgin Islands (the “**BVI**”). The Group has been under the control and beneficially owned by KW Cheung Family Trust, Mr. CHEUNG King Shek, Mr. CHEUNG King Shan, Mr. CHEUNG King Chuen Bobby and Mr. CHEUNG King Fung Sunny (the “**Cheung Brothers**”). 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 other subsidiaries is HK\$.

Basis of preparation

As at 31 March 2025, the Group had net current liabilities of HK\$492,727,000. 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\$242,854,000 as at 31 March 2025;
- (ii) out of the secured bank borrowings of HK\$440,892,000, 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\$375,125,000.

All of the bank borrowings were secured by the ownership interests in leasehold land and buildings included in property, plant and equipment, investment properties and financial assets at FVTPL with carrying amounts of HK\$185,089,000, HK\$579,840,000 and HK\$34,761,000 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 interests 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 AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRS**”) Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group’s financial year beginning on 1 April 2024.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to Hong Kong Accounting Standard (“ 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</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

Except as described below, the application of the amendments to HKFRS Accounting Standards 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 *Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)* (the “2020 Amendments”); and Amendments to HKAS 1 *Non-current Liabilities with Covenants* (the “2022 Amendments”)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon adoption of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group’s liabilities.

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual period beginning on or after a date to be determined.

The Directors anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 *Presentation of Financial Statements*. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The Directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or services lines		
– Sales of goods		
Product business	1,037,494	1,016,464
– Services rendered		
Product business	3,108	6,896
Operation services	251,353	306,297
Others	18,302	21,129
	<u>1,310,257</u>	<u>1,350,786</u>
Revenue from other sources		
– Rental income and management fee income for investment properties under operating lease with fixed lease payments	<u>21,339</u>	<u>21,981</u>
	<u><u>1,331,596</u></u>	<u><u>1,372,767</u></u>

Disaggregation of revenue from contracts with customers by timing of recognition

	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition		
At a point of time	1,040,737	1,022,687
Over time	<u>269,520</u>	<u>328,099</u>
	<u>1,310,257</u>	<u>1,350,786</u>

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

As at 31 March 2025 and 2024, 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 2025

	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>
Revenue						
External sales	1,040,602	251,353	21,339	18,302	–	1,331,596
Inter-segment sales	1,303	–	7,979	–	(9,282)	–
Segment revenue	1,041,905	251,353	29,318	18,302	(9,282)	1,331,596
Segment results	35,179	16,941	(1,374)	3,711		54,457
Bank interest income						169
Finance costs						(36,867)
Share of results of associates						20,615
Gain on change in fair value of financial assets at FVTPL						15,106
Loss on change in fair value of derivative financial instruments						(642)
Corporate expenses, net						(25,968)
Profit before tax						26,870

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>
Revenue						
External sales	1,023,360	306,297	21,981	21,129	–	1,372,767
Inter-segment sales	581	–	3,221	18	(3,820)	–
Segment revenue	1,023,941	306,297	25,202	21,147	(3,820)	1,372,767
Segment results	62,670	43,613	(2,758)	5,288		108,813
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)
Profit before tax						71,368

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, gain (loss) on change in fair value of financial assets at FVTPL, (loss) gain 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 2025

	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	13,676	890	–	326	13,287	28,179
Depreciation of right-of-use assets	44,536	–	–	–	–	44,536
Depreciation of investment properties	–	–	25,245	–	–	25,245
Reversal of impairment loss on investment properties	–	–	(1,047)	–	–	(1,047)
Reversal of allowance for inventories	(8)	–	–	–	–	(8)
Gain on disposal of property, plant and equipment	(2,485)	–	–	–	–	(2,485)
Written off of inventories	343	–	–	–	–	343
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Share of results of associates	–	(20,615)	–	–	–	(20,615)
Dividend income from financial assets at FVTPL	–	–	–	–	(1,452)	(1,452)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,452)</u>	<u>(1,452)</u>

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, net	88	–	–	–	(38,201)	(38,113)
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)

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	423,741	284,999
Customer B ²	251,970	303,494

¹ Revenue from product business.

² Revenue from operation services.

5. OTHER INCOME AND GAINS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	169	163
Dividend income from financial assets at FVTPL	1,452	1,526
Gain on disposal of property, plant and equipment, net	2,485	38,113
Government grants		
– Employment Support Scheme (“ESS”) (<i>Note</i>)	–	1,152
Handling income	1,065	1,213
Written off of other payables	1,226	–
Others	1,346	1,220
	<u>7,743</u>	<u>43,387</u>

Note: 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.

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on:		
– bank and other borrowings	32,435	39,336
– lease liabilities	4,432	4,406
	<u>36,867</u>	<u>43,742</u>

7. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax		
– current year	3,757	14,659
– under provision in respect of prior years	45	103
	<u>3,802</u>	<u>14,762</u>
PRC Enterprise Income Tax		
– current year	11	11
Deferred tax		
– current year	440	216
	<u>4,253</u>	<u>14,989</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 both years.

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

	2025 <i>HK\$'000</i>	2024 <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	9,070	9,067
– discretionary bonuses	2,540	2,530
– contributions to retirement benefits scheme	90	90
	<u>12,060</u>	<u>12,047</u>
Other staff costs		
– salaries, allowances and other benefits	169,643	172,136
– contributions to retirement benefits scheme	6,392	6,594
– provision for long service payments obligations	138	551
	<u>176,173</u>	<u>179,281</u>
Total staff costs	<u><u>188,233</u></u>	<u><u>191,328</u></u>
Written off of inventories (<i>Note (a)</i>)	343	55
Reversal of allowance for inventories (<i>Note (a)</i>)	(8)	(15)
Auditor's remuneration (<i>Note (b)</i>)	1,000	1,000
Depreciation of property, plant and equipment	28,179	27,982
Depreciation of investment properties	25,245	19,311
Depreciation of right-of-use assets	<u><u>44,536</u></u>	<u><u>46,813</u></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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2023/24 first quarter interim dividend of HK\$0.03 per share	–	12,113
2023/24 fourth quarter interim dividend of HK\$0.04 per share	16,150	–
2024/25 second quarter interim dividend of HK\$0.03 per share	12,113	–
	28,263	12,113

Subsequent to the end of the reporting period, the Directors has resolved to declare the fourth quarter interim dividend of HK\$0.02 per share in respect of the year ended 31 March 2025 (2024: fourth quarter interim dividend of HK\$0.04 per share).

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company		
for the purpose of basic and diluted earnings per share	22,617	56,379
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of		
basic earnings per share	403,753	403,753

The diluted earnings per share for the years ended 31 March 2025 and 2024 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade and lease receivables	2,161	3,223
Other receivables (<i>Note</i>)	17,452	15,612
Rental deposits	18,648	22,379
Prepayments for addition of property, plant and equipment	1,895	3,400
Utility and other deposits	7,300	8,184
Prepayments to suppliers	647	5,130
Other prepayments	5,613	3,426
	53,716	61,354
<i>Less:</i> Prepayments for addition of property, plant and equipment classified as non-current assets	(1,895)	(3,400)
Rental deposits classified as non-current assets	(6,789)	(9,215)
	45,032	48,739

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 2025, the gross amount of trade receivables arising from contracts with customers amounted to HK\$1,311,000 (2024: HK\$2,466,000).

The Group allows an average credit period ranging from 7 to 30 days (2024: 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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 90 days	1,626	2,477
91-180 days	124	367
181-365 days	2	272
Over 365 days	409	107
	<u>2,161</u>	<u>3,223</u>

As at 31 March 2025, HK\$535,000 (2024: HK\$746,000) has been past due 90 days and is not considered as in default due to the Group are negotiating the payment terms for the customer.

12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	55,732	44,486
Accrued payroll	9,373	8,469
Accrued expenses and other payables	15,854	17,450
	<u>80,959</u>	<u>70,405</u>

The average credit period on trade payables is 10 to 50 days (2024: 10 to 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:

	2025 HK\$'000	2024 HK\$'000
Within 60 days	55,305	43,679
61-90 days	36	36
Over 90 days	391	771
	<u>55,732</u>	<u>44,486</u>

13. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>403,753,000</u>	<u>4,039</u>

14. OPERATING LEASING ARRANGEMENTS

The Group as lessor

The Group leases out its investment properties during the years ended 31 March 2025 and 2024. The leases are rented to third parties, related companies and an associate under operating leases with leases negotiated for a term of one to four years (2024: one to three years) as at 31 March 2025. 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	10,619	8,956
After one year but within two years	2,299	6,131
After two years but within four years	<u>2,535</u>	<u>673</u>
	<u><u>15,453</u></u>	<u><u>15,760</u></u>

15. CAPITAL COMMITMENTS

	2025 <i>HK\$'000</i>	2024 <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>1,668</u></u>	<u><u>2,341</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the review year, Hong Kong's telecommunications sector continued to demonstrate steady growth, driven by the widespread deployment and adoption of 5G networks and compatible devices. By February 2025, mobile communication service subscriptions reached 27.23 million, resulting in a mobile penetration rate of 351.3%, while subscriptions for 2.5G/3G/4G/5G mobile broadband services accounted for approximately 27.22 million. This expansion contributed to a significant increase in mobile data usage, with mobile data usage reached a record high of around 233,204 terabytes by December 2024, representing increases of 19.1% and 48.2% from December 2023 and 2022, respectively. These figures collectively underscore the telecommunications market's continued momentum and robust growth trajectory (according to statistics report from the Office of the Communication Authority).

Throughout the previous year, the Group has consistently focused on bolstering its market presence by continuously enhancing customer experience in its retail network and optimizing e-commerce operations to capitalize on market opportunities. The Group will strive to deliver solid performance, reinforce its market position and maintain its competitive edge in the highly dynamic market 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.

During the review year, macroeconomic conditions experienced volatility primarily driven by a series of global developments. Both Hong Kong and global markets faced various challenges and uncertainties, including escalating trade tensions, geopolitical instability, inflationary pressures, and abrupt shifts in monetary policy. Customer behaviors have been influenced and the retail environment has become more cautious in light of the subdued real estate market and fluctuating stock market performance. As a result, the Group's overall business environment has remained challenging. For the year ended 31 March 2025, the Group recorded a revenue of approximately HK\$1,331.60 million (2024: HK\$1,372.77 million) and net profit of approximately HK\$22.62 million (2024: HK\$56.38 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 70% of the building has been leased out and around 23% has been occupied as the Group's headquarter.

FINANCIAL REVIEW

Segment Analysis

	Year ended 31 March			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Product business	1,040,602	78.1	1,023,360	74.6
Operation services	251,353	18.9	306,297	22.3
Property investments	21,339	1.6	21,981	1.6
Other segment	18,302	1.4	21,129	1.5
	<u>1,331,596</u>	<u>100.0</u>	<u>1,372,767</u>	<u>100.0</u>
Total revenue	<u>1,331,596</u>	<u>100.0</u>	<u>1,372,767</u>	<u>100.0</u>

Revenue

The Group's revenue for the year ended 31 March 2025 was approximately HK\$1,331.60 million (2024: HK\$1,372.77 million), representing a slight decrease of approximately 3.0% over the previous year.

As at the date of this announcement, the Group operates a network of 69 retail shops. During the year ended 31 March 2025, revenue from product business was approximately HK\$1,040.60 million (2024: HK\$1,023.36 million). It remained the major source of revenue of the Group.

Revenue from the operation services segment declined by approximately 17.9% to approximately HK\$251.35 million (2024: HK\$306.30 million) for the year ended 31 March 2025 as compared to the previous year. The decrease was mainly due to the keen market competition of mobile telecommunications services.

Revenue from investment properties remains stable. The amount represents rental income generated from investment properties of approximately HK\$21.34 million (2024: HK\$21.98 million) for the year ended 31 March 2025.

Revenue from the other segment comprises mainly the provision of paging and other telecommunication services of approximately HK\$18.30 million (2024: HK\$21.13 million). Revenue decreased by approximately 13.4% as compared to 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 2025 were approximately HK\$7.74 million (2024: HK\$43.39 million), representing a substantial decrease of approximately 82.2% compared to the previous year. The decline was primarily driven by the absence of gain on disposal of a property of approximately HK\$38.10 million (2025: Nil) and the government grants of approximately HK\$1.15 million (2025: Nil) received in the previous year, off-set by written off of other payables approximately HK\$1.23 million (2024: Nil). Apart from the above, other income and gains of the year mainly comprised dividend income from investment in financial assets, bank interest income and handling 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 2025 were approximately HK\$93.09 million (2024: HK\$106.16 million), representing a decrease of approximately 12.3% 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 69 retail shops (2024: 73 retail shops) in Hong Kong. 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\$20.62 million (2024: HK\$9.21 million), representing an increase of approximately 123.9% as compared to the previous year. The amount mainly represents our share of the net profit of SUN Mobile. The increase was mainly due to the decrease in cost of sales of SUN Mobile.

Finance Costs

The finance cost is mainly comprised of interest on bank and other borrowings and interest on lease liabilities.

For the year ended 31 March 2025, interest on bank and other borrowings was approximately HK\$32.44 million (2024: HK\$39.34 million), representing a decrease of approximately 17.5%. The decrease was mainly due to the repayment of bank and other borrowings and interest rates drop since the second half of 2024. Except for the above, there was no significant change in the Group's bank and other borrowings for the year ended 31 March 2025. Interest on bank and other borrowings 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 2025 was approximately HK\$4.43 million (2024: HK\$4.41 million).

Income Tax Expense

Income tax expense for the year ended 31 March 2025 was approximately HK\$4.25 million (2024: HK\$14.99 million), representing a decrease of approximately 71.6%. 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 2025 was approximately HK\$22.62 million (2024: HK\$56.38 million), representing a decrease of approximately 59.9% as compared to the previous year.

The profit decline for the year ended 31 March 2025 as compare to the previous year was mainly attributable to the combined effect of (i) the absence of disposal gain of property (2024: gain on disposal of property of approximately HK\$38.10 million); (ii) the recognition of a net fair value gain on financial assets and derivative financial instruments amounting to approximately HK\$14.46 million (2024: net fair value loss of approximately HK\$12.06 million); (iii) the decrease in gross profit of approximately HK\$67.02 million due to the unfavorable market environment; (iv) the increase in share of result of SUN Mobile of approximately HK\$11.41 million; (v) the decrease in overall operating expenses and finance costs of approximately HK\$19.94 million; and (vi) the decrease in income tax expenses of approximately HK\$10.74 million.

Investments in Financial Assets

As at 31 March 2025, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$34.76 million (2024: HK\$32.25 million), representing approximately 2.9% of the total assets of the Group as at 31 March 2025. 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 2025.

Stock name	HKEX (Note)	CM BANK (Note)
Number of securities held as at 31 March 2025	61,721	293,684
Approximate percentage held to the total issued share capital in the investment company	0.0049%	0.0064%
Fair value as at 31 March 2024 (HK\$'000)	19,941	12,304
Proceeds from disposal during the year ended 31 March 2025 (HK\$'000)	8,195	4,395
Fair value gain for the year ended 31 March 2025 (HK\$'000)	438	339
Fair value as at 31 March 2025 (HK\$'000)	21,281	13,480
Approximate percentage of total assets of the Group as at 31 March 2025	1.8%	1.1%
Dividend income during the year ended 31 March 2025 (HK\$'000)	<u>658</u>	<u>794</u>

Note:

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

Derivative Financial Instruments

As at 31 March 2025, the net fair value of the Group's decumulator contracts ("DC") amounted to approximately HK\$642,000 (2024: Nil). The DCs are linked with securities listed on the Main Board of the Stock Exchange. The Group entered into the DCs with a financial institution in Hong Kong.

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 2025, the Group had net current liabilities of approximately HK\$492.73 million (2024: HK\$503.39 million) and had cash and cash equivalents of approximately HK\$22.69 million (2024: HK\$27.33 million).

The Group had a current ratio of approximately 0.30 as at 31 March 2025 comparing to that of approximately 0.29 as at 31 March 2024. As at 31 March 2025, the Group's gearing ratio was approximately 120.1% as compared to approximately 121.0% as at 31 March 2024, which was calculated based on the Group's total borrowings (including bank and other borrowings and amounts due to related companies) of approximately HK\$584.17 million (2024: HK\$597.39 million) and the Group's total equity of approximately HK\$486.49 million (2024: HK\$493.67 million). The Group's total cash at banks as at 31 March 2025 amounted to approximately HK\$22.69 million (2024: HK\$27.33 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 2025, the Group had unutilised banking facilities of approximately HK\$242.85 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 2025, the Group did not have any material contingent liabilities (2024: 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 15 to this announcement.

Dividends

	Year ended 31 March			
	2025		2024	
	<i>HK\$ per share</i>	<i>HK\$'000 (audited)</i>	<i>HK\$ per share</i>	<i>HK\$'000 (audited)</i>
Dividends recognised as distribution during the year:				
2023/24 first quarter interim dividend	–	–	0.03	12,113
2023/24 fourth quarter interim dividend	0.04	16,150	–	–
2024/25 second quarter interim dividend	0.03	12,113	–	–
		<u>28,263</u>		<u>12,113</u>

At a meeting held on 27 June 2025, the Board has resolved to declare the fourth quarter interim dividend of HK\$0.02 per share in respect of the year ended 31 March 2025 (2024: fourth quarter interim dividend of HK\$0.04 per share).

Capital Structure

There was no change in the capital structure during the year ended 31 March 2025.

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

The Group did not make any material acquisitions or disposals of properties and subsidiaries during the year ended 31 March 2025.

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.

Employees and Remuneration Policies

As at 31 March 2025, the Group employed 510 (2024: 554) 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

Amid ongoing geopolitical tensions, inflationary pressures and changes in monetary policies, the recovery of Hong Kong and the global economies has been uneven, with regional markets facing a range of complex challenges. Looking forward, economic growth in Hong Kong and global markets is expected to remain under pressure as uncertainties surrounding the relationship between China and the United States continues to cloud economic recovery, and it is anticipated that the retail sector in Hong Kong will remain subdued in the near term.

Going ahead, the Group will maintain a cautiously optimistic approach, pursuing steady business expansion while emphasizing cost control and operational efficiency. The Group will continue to enhance the customer shopping experience and deliver high-quality service, while balancing risk management and reducing operating expenses to boost overall efficiency. Additionally, the Group will actively study and pursue new business opportunities and diversification initiatives that align with our strategic goals and vision as well as complement our core operations, aiming to foster sustainable high-quality growth and create long-term value for the Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the principles and the code provisions of the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), to ensure that business activities and decision-making processes are regulated in a proper and prudent manner. Throughout the financial year ended 31 March 2025 (“**Year**”), 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 Year, the chief executive officer and chief financial officer of the Group, based on business needs and conditions, 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 from time to time, 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 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 Year.

FOURTH QUARTER INTERIM DIVIDEND

The Board resolved to declare a Q4 interim dividend of HK\$0.02 per Share (2024Q4: HK\$0.04 per Share) in cash, amounting to approximately HK\$8.08 million for the year ended 31 March 2025, which is expected to be payable on 17 October 2025 to Shareholders whose names appear on the Register of members of the Company on 8 October 2025.

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 6 October 2025 to 8 October 2025, 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 3 October 2025. Shareholders whose names are recorded in the register of members of the Company on 8 October 2025 are entitled to receive the Q4 interim dividend in cash for the Year.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the "AGM") will be held on Thursday, 25 September 2025. 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 FOR AGM

The register of members of the Company will be closed from Monday, 22 September 2025 to Thursday, 25 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, 19 September 2025.

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 Year, which have been audited by the Group's auditor, Messrs. SHINEWING (HK) CPA Limited ("**SHINEWING**"), as well as the internal control and risk management.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the Year have been agreed by the Group's independent auditor, SHINEWING, to the amounts set out in the Group's audited consolidated financial statement for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

PUBLICATION OF 2024/2025 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 2024/2025 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, 27 June 2025

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.