



## THE FINANCIAL STATEMENTS

### INTERIM RESULTS

The board of directors (the “Board”) of Telecom Digital Holdings Limited (the “Company”) announces the condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2024 (the “Period”), together with the corresponding comparative figures as follows:

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

For the six months ended 30 September 2024

		<b>Six months ended 30 September</b>	
	<i>Notes</i>	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
Revenue	4	<b>538,745</b>	641,846
Cost of inventories sold		<b>(323,548)</b>	(393,849)
Staff costs		<b>(95,345)</b>	(97,060)
Depreciation		<b>(48,492)</b>	(47,805)
Other income and gains	6	<b>2,655</b>	41,164
Other operating expenses		<b>(44,314)</b>	(52,348)
Gain (loss) on change in fair value:			
– financial assets at fair value through profit or loss (“FVTPL”)		<b>11,411</b>	(6,674)
– derivative financial instruments		<b>(1,070)</b>	1,033
Share of results of associates		<b>7,042</b>	4,306
Finance costs	7	<b>(18,669)</b>	(22,355)
Profit before tax		<b>28,415</b>	68,258
Income tax expense	8	<b>(5,627)</b>	(10,143)
Profit for the period attributable to owners of the Company		<b>22,788</b>	58,115

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the six months ended 30 September 2024

	Note	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Other comprehensive (expense) income Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(140)	473
Item that will not be reclassified subsequently to profit or loss:			
Actuarial loss on long service payment obligations		(589)	–
Other comprehensive (expense) income for the period		(729)	473
Total comprehensive income for the period attributable to owners of the Company		22,059	58,588
Earnings per share (HK\$) Basic and diluted	10	0.06	0.14

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	<i>Notes</i>	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>352,083</b>	408,657
Right-of-use assets	12	<b>54,127</b>	51,346
Investment properties	13	<b>577,084</b>	523,390
Club membership		<b>1,560</b>	1,560
Interests in associates		<b>20,464</b>	21,572
Rental deposits	15	<b>7,776</b>	9,215
Prepayments for addition of property, plant and equipment	15	<b>1,751</b>	3,400
		<b>1,014,845</b>	1,019,140
<b>Current assets</b>			
Inventories		<b>109,681</b>	75,328
Financial assets at FVTPL	14	<b>38,552</b>	32,245
Trade and other receivables	15	<b>105,784</b>	48,739
Amounts due from related companies	22(a)	<b>1,692</b>	98
Amount due from an associate	22(b)	<b>4,610</b>	15,530
Loan to an associate	22(c)	–	–
Tax recoverable		<b>852</b>	1,506
Pledged bank deposits		<b>5,166</b>	5,472
Bank balances and cash		<b>29,100</b>	27,331
		<b>295,437</b>	206,249

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September 2024

	Notes	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Current liabilities			
Trade and other payables	16	57,685	70,405
Contract liabilities		5,191	4,682
Amounts due to related companies	22(a)	31	163
Derivative financial instruments		1,070	–
Lease liabilities		39,150	35,816
Bank and other borrowings	17	682,739	597,224
Tax payables		2,182	1,346
		<b>788,048</b>	709,636
Net current liabilities		<b>(492,611)</b>	(503,387)
Total assets less current liabilities		<b>522,234</b>	515,753
Non-current liabilities			
Long service payment obligations		2,323	2,368
Lease liabilities		19,466	18,988
Deferred tax liabilities		864	725
		<b>22,653</b>	22,081
Net assets		<b>499,581</b>	493,672

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(continued)

As at 30 September 2024

	<i>Note</i>	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
Capital and reserves			
Share capital	18	<b>4,039</b>	4,039
Reserves		<b>495,542</b>	489,633
<b>Total equity</b>		<b>499,581</b>	493,672

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Equity attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note (a))	Exchange reserve HK\$'000	Legal reserve HK\$'000 (Note (b))	Retained profits HK\$'000	
At 1 April 2023 (audited)	4,039	98,195	4,533	(868)	91	342,303	448,293
Profit for the period	-	-	-	-	-	58,115	58,115
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	-	473	-	-	473
Total comprehensive income for the period	-	-	-	473	-	58,115	58,588
Dividends (Note 9)	-	-	-	-	-	(12,113)	(12,113)
At 30 September 2023 (unaudited)	4,039	98,195	4,533	(395)	91	388,305	494,768
At 1 April 2024 (audited)	<b>4,039</b>	<b>98,195</b>	<b>4,533</b>	<b>723</b>	<b>91</b>	<b>386,091</b>	<b>493,672</b>
Profit for the period	-	-	-	-	-	22,788	22,788
Other comprehensive expense:							
Exchange differences arising on translation of foreign operations	-	-	-	(140)	-	-	(140)
Actuarial loss on long service payment obligations	-	-	-	-	-	(589)	(589)
Total comprehensive (expense) income for the period	-	-	-	(140)	-	22,199	22,059
Dividends (Note 9)	-	-	-	-	-	(16,150)	(16,150)
At 30 September 2024 (unaudited)	<b>4,039</b>	<b>98,195</b>	<b>4,533</b>	<b>583</b>	<b>91</b>	<b>392,140</b>	<b>499,581</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

*For the six months ended 30 September 2024*

*Notes:*

- (a) Other reserve includes (i) the reserve arising from acquisition of additional interest of subsidiaries from non-controlling interests and (ii) the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to a group reorganisation over the consideration paid for acquiring these subsidiaries.
- (b) In accordance with the provisions of Macau Commercial Code, the Company's subsidiary incorporated in Macau is required to transfer 25% of its annual net profit to a legal reserve until the balance of the reserve reaches 50% of the subsidiary's registered capital. Legal reserve is not distributable to shareholders.

As stipulated by regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established and operated in the PRC are required to appropriate 10% of their after-tax profit (after offsetting any losses of prior years) as determined in accordance with the applicable laws and regulations in the PRC, to statutory reserve until the reserve balance reaches 50% of the registered capital of the relevant subsidiaries. The transfer to this reserve must be made before distribution of a dividend to equity owners.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(20,361)</b>	74,794
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at FVTPL	5,104	12,131
Purchase of property, plant and equipment	(19,372)	(19,725)
Prepayments for addition of property, plant and equipment	(1,751)	(740)
Withdrawal of pledged bank deposits	306	–
Dividend received from an associate	8,150	9,259
Proceeds from disposal of property, plant and equipment	15	84,478
Dividend received from financial assets at FVTPL	1,130	1,184
Bank interest received	82	27
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>	<b>(6,336)</b>	86,614

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 September 2024

	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>FINANCING ACTIVITIES</b>		
Bank and other borrowings raised	<b>404,335</b>	799,312
Repayments of bank and other borrowings	<b>(319,295)</b>	(909,156)
Repayment on capital element of lease liabilities	<b>(21,809)</b>	(22,291)
Interest paid	<b>(18,669)</b>	(22,355)
Dividend paid	<b>(16,150)</b>	(12,113)
Government grants	<b>–</b>	1,152
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>28,412</b>	(165,451)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,715</b>	(4,043)
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>27,331</b>	30,374
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>54</b>	(692)
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER, represented by bank balances and cash</b>	<b>29,100</b>	25,639

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

### 1. GENERAL

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 of the Company is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and the address of the principal place of business is 10/F., Telecom Digital Tower, No. 58 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong.

The directors of the Company (the “Directors”) consider the immediate holding company and ultimate holding company are CKK Investment Limited (“CKK Investment”) and Amazing Gain Limited (“Amazing Gain”) respectively, which are incorporated in the British Virgin Islands (the “BVI”).

The Company is principally engaged in investment holding and the principal activities of its principal subsidiaries are engaged in product business in sales of electronic devices and other consumer goods and related services, provision of operation services and property investments.

The functional currency of the Company is Hong Kong dollars (“HK\$”) while the functional currencies for certain subsidiaries established in the PRC and Macau are Renminbi (“RMB”) and Macau Patacas, respectively. For the purpose of presenting the condensed consolidated financial statements, the Group adopted HK\$ as its presentation currency which is the same as the functional currency of the Company.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Group had net current liabilities of HK\$492,611,000 as at 30 September 2024. The condensed consolidated financial statements have been prepared by the Directors on a going concern basis since the following:

- (i) the unutilised banking facilities readily available to the Group amounted to HK\$126,791,000 as at 30 September 2024;
- (ii) out of the secured bank borrowing of HK\$545,308,000, 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\$389,565,000.

All of the bank borrowings were secured by the ownership interest in leasehold land and buildings included in property, plant and equipment, investment properties and financial assets at FVTPL with carrying amounts of HK\$297,653,000, HK\$577,084,000 and HK\$38,552,000 respectively. Its repayment is expected to be fully recovered through the realization 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 condensed consolidated financial statements on a going concern basis. The condensed consolidated financial statements do not include 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.

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical costs basis, except for certain financial instruments, and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 March 2024.

#### Application of amendments to HKFRSs

During the Period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020)</i>
	<i>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>

The application of the amendments to HKFRSs in the Period has had no material impact on the Group’s financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### 4. 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 Period is as follows:

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or services lines		
– Sales of goods		
Product business	<b>381,484</b>	458,616
– Service rendered		
Product business	<b>1,189</b>	4,817
Operation services	<b>136,235</b>	157,419
Others	<b>8,978</b>	10,821
	<b>527,886</b>	631,673
<b>Revenue from other sources</b>		
– Rental income from investment properties under operating lease with fixed lease payments	<b>10,859</b>	10,173
	<b>538,745</b>	641,846
<b>Disaggregation of revenue from contracts with customers by timing of recognition</b>		
<b>Timing of revenue recognition</b>		
– At a point of time	<b>382,650</b>	463,091
– Over time	<b>145,236</b>	168,582
	<b>527,886</b>	631,673

#### 4. REVENUE (continued)

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

As at 30 September 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.

#### 5. 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, 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 this year for the assessment of the performance of operating segments. Therefore, only the segment revenue and segment results are presented.

## 5. SEGMENT INFORMATION (continued)

### Segment revenues and results

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

*For the six months ended 30 September 2024*

	Product business HK\$'000 (unaudited)	Operation services HK\$'000 (unaudited)	Property investments HK\$'000 (unaudited)	Other segment HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Revenue</b>						
External sales	382,673	136,235	10,859	8,978	–	538,745
Inter-segment sales	201	–	983	–	(1,184)	–
<b>Segment revenue</b>	<b>382,874</b>	<b>136,235</b>	<b>11,842</b>	<b>8,978</b>	<b>(1,184)</b>	<b>538,745</b>
<b>Segment results</b>	<b>34,411</b>	<b>10,323</b>	<b>(5,116)</b>	<b>2,856</b>		<b>42,474</b>
Bank interest income						82
Finance costs						(18,669)
Gain on changes in fair value of financial assets at FVTPL						11,411
Loss on change in fair value of derivative financial instruments						(1,070)
Share of result of associates						7,042
Corporate expenses, net						(12,855)
<b>Profit before tax</b>						<b>28,415</b>



## 5. SEGMENT INFORMATION (continued)

### Segment revenues and results (continued)

The following is an analysis of the Group's revenue and results by operating and reportable segments: (continued)

*For the six months ended 30 September 2023*

	Product business HK\$'000 (unaudited)	Operation services HK\$'000 (unaudited)	Property investments HK\$'000 (unaudited)	Other segment HK\$'000 (unaudited)	Elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Revenue</b>						
External sales	463,433	157,419	10,173	10,821	–	641,846
Inter-segment sales	268	–	2,324	18	(2,610)	–
<b>Segment revenue</b>	463,701	157,419	12,497	10,839	(2,610)	641,846
<b>Segment results</b>	39,229	26,737	(5,280)	2,039		62,725
Bank interest income						59
Finance costs						(22,355)
Loss on changes in fair value of financial assets at FVTPL						(6,674)
Gain on change in fair value of derivative financial instruments						1,033
Share of results of associates						4,306
Unallocated gain on disposal of property, plant and equipment						38,201
Corporate expenses, net						(9,037)
Profit before tax						68,258

## 5. SEGMENT INFORMATION (continued)

### 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 customers contributing over 10% of total revenue of the Group are as follows:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Customer A <sup>1</sup>	136,207	150,908
Customer B <sup>2</sup>	90,102	N/A <sup>3</sup>

<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 for the respective period.

## 6. OTHER INCOME AND GAINS

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Bank interest income	82	59
Dividend income from financial assets at FVTPL	1,130	1,184
Government grants		
– Employment Support Scheme ( <i>Note</i> )	–	1,152
Gain on disposal of property, plant and equipment, net	15	38,114
Handling income	753	333
Others	675	322
	<b>2,655</b>	41,164

*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.

## 7. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest expenses on:		
– bank and other borrowings	16,358	20,293
– lease liabilities	2,311	2,062
	18,669	22,355

## 8. INCOME TAX EXPENSE

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
Hong Kong Profits Tax		
– current period	<b>5,482</b>	9,669
PRC Enterprise Income Tax		
– current period	<b>6</b>	81
Deferred tax		
– current period	<b>139</b>	393
	<b>5,627</b>	10,143

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 the PRC subsidiaries is 25% for the Period (2023: 25%).

## 8. INCOME TAX EXPENSE (continued)

Under relevant PRC EIT Law, for the PRC enterprises that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% for annual taxable income up to RMB3,000,000, whereas the excess portion will be subject to the tax rate of 25%.

During the Period and corresponding period in 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.

## 9. DIVIDENDS

	Six months ended 30 September			
	2024		2023	
	HK\$ per share	HK\$'000 (unaudited)	HK\$ per share	HK\$'000 (unaudited)
Dividends recognised as distribution during the periods:				
2023/24 first quarter interim dividend	-	-	0.03	12,113
2023/24 fourth quarter interim dividend	0.04	16,150	-	-
		16,150		12,113

At a meeting held on 28 November 2024, the Board has resolved to declare the second quarter interim dividend of HK\$0.03 per share in respect of the period ended 30 September 2024 (2023: Nil).

## 10. EARNINGS PER SHARE

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

	<b>Six months ended 30 September</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(unaudited)</b>	2023 HK\$'000 (unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<b>22,788</b>	58,115

	<b>Six months ended 30 September</b>	
	<b>2024</b> <b>'000</b> <b>(unaudited)</b>	2023 '000 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>403,753</b>	403,753

The dilutive earnings per share was same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the Period.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired amounted to HK\$19,372,000 (2023: HK\$19,725,000) on property, plant and equipment, including construction in progress.

Reference is made to the announcements of the Company dated 8 August 2023 and 22 September 2023 in respect of the discloseable transactions in relations to disposal of a property with HK\$44,951,000 at a consideration of HK\$83,200,000, less direct expenses of HK\$47,000.

Except for the disposal of property state in above, the Group disposed of certain property, plant and equipment at a consideration of HK\$15,000 (2023: HK\$1,325,000) during the Period. The carrying amount of the disposed property, plant and equipment is nil (2023: HK\$1,413,000).

During the Period, the Group had transferred properties with carrying amounts of HK\$66,404,000 (2023: HK\$127,091,000) from property, plant and equipment to investment properties due to the change in use, which evidenced by commencement of lease to third parties.

## 12. RIGHT-OF-USE ASSETS

During the Period, the Group entered into a number of new leases of office premises and retail shops and renewal of existing leases for the use of shops and therefore recognised the additions to right-of-use assets of HK\$25,621,000 (2023: HK\$24,410,000). No right-of-use asset was written off during the Period (2023: Nil).

## 13. INVESTMENT PROPERTIES

During the Period, the Group had no acquisition of investment property (2023: Nil).

During the Period, the Group had transferred properties with carrying amounts of HK\$66,404,000 (2023: HK\$127,091,000) from property, plant and equipment to investment properties. For details, please refer to Note 11.



## 14. FINANCIAL ASSETS AT FVTPL

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
<b>Financial assets mandatorily measured at FVTPL</b>		
– Equity securities listed in Hong Kong, at market value ( <i>Note</i> )	<b>38,552</b>	32,245

*Note:* The fair values of the listed equity securities were determined based on the quoted market bid prices available on the Stock Exchange.

As at 30 September 2024, the Group's financial assets at FVTPL with carrying amounts of HK\$38,552,000 (31 March 2024: HK\$32,245,000) have been pledged to secure banking facilities granted to the Group.

## 15. TRADE AND OTHER RECEIVABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade and lease receivables	2,638	3,223
Other receivables ( <i>Note</i> )	10,204	15,612
Rental deposits	22,661	22,379
Prepayments for addition of property, plant and equipment	1,751	3,400
Utility and other deposits	7,776	8,184
Prepayments to suppliers	64,008	5,130
Other prepayments	6,273	3,426
	<b>115,311</b>	61,354
Less: Prepayments for addition of property, plant and equipment classified as non-current assets	<b>(1,751)</b>	(3,400)
Rental deposits classified as non-current assets	<b>(7,776)</b>	(9,215)
Current portion included in trade and other receivables	<b>105,784</b>	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 reporting period.

## 15. TRADE AND OTHER RECEIVABLES (continued)

The Group does not hold any collateral over these balances.

As at 30 September 2024, the gross amount of trade receivables arising from contracts with customers amounted to HK\$1,901,000 (31 March 2024: HK\$2,466,000).

The Group allows an average credit period of 7 to 30 days (31 March 2024: 7 to 30 days) to its trade customers. The following is an ageing analysis of trade receivables presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition date.

	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
Within 90 days	<b>2,087</b>	2,477
91-180 days	<b>54</b>	367
181-365 days	<b>332</b>	272
Over 365 days	<b>165</b>	107
	<b>2,638</b>	3,223

## 16. TRADE AND OTHER PAYABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Trade payables	31,852	44,486
Accrued payroll	8,274	8,469
Accrued expenses and other payables	17,559	17,450
	<b>57,685</b>	70,405

The average credit period on trade payables ranging from 10 to 50 days (31 March 2024: 10 to 30 days). The Group has financial risk management policies to ensure that all payables are settled within credit time-frame. The following is an ageing analysis of trade payables presented based on the invoice date as at the end of the reporting period.

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Within 60 days	31,182	43,679
61-90 days	32	36
Over 90 days	638	771
	<b>31,852</b>	44,486

## 17. BANK AND OTHER BORROWINGS

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Bank borrowings:		
Variable rate mortgage loans	417,225	444,328
Variable rate trust receipt borrowings	208,331	54,664
Variable rate revolving loans	40,528	82,053
	<b>666,084</b>	581,045
Loans from a related company:		
東莞恭榮房地產管理有限公司 ("Kung Wing") (Note 22(a)(vii))	16,655	16,179
	<b>682,739</b>	597,224
Secured	545,308	562,229
Unsecured	137,431	34,995
	<b>682,739</b>	597,224

## 17. BANK AND OTHER BORROWINGS (continued)

The amounts due below are based on scheduled repayment dates set out in the loan agreements:

	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
Variable rate borrowings:		
Within one year	<b>293,174</b>	185,609
After one year but within two years	<b>29,049</b>	28,600
After two years but within five years	<b>96,411</b>	95,919
After five years	<b>264,105</b>	287,096
	<b>682,739</b>	597,224
Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause	<b>293,174</b>	185,609
Carrying amount of bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<b>389,565</b>	411,615
	<b>682,739</b>	597,224

## 17. BANK AND OTHER BORROWINGS (continued)

- (a) All the bank borrowings carried interest at floating rates. The ranges of effective interest rates per annum on the Group's bank borrowings are as follows:

	<b>30 September 2024 (unaudited)</b>	30 September 2023 (unaudited)
Variable rate bank borrowings	<b>4.75%-6.23%</b>	2.49%-7.10%

- (b) The carrying amounts of the Group's bank borrowings are denominated in HK\$ and the carrying amounts of the Group's loans from a related company are denominated in RMB.
- (c) As at 30 September 2024, secured bank borrowings of HK\$545,308,000 (31 March 2024: HK\$562,229,000) were secured by ownership interest in leasehold land and buildings included in property, plant and equipment, investment properties, financial assets at FVTPL and pledged bank deposits with carrying amounts of HK\$297,653,000 (31 March 2024: HK\$344,642,000), HK\$577,084,000 (31 March 2024: HK\$523,390,000), HK\$38,552,000 (31 March 2024: HK\$32,245,000) and Nil (31 March 2024: HK\$336,000) respectively. As at 30 September 2024, the Group had the unutilised banking facilities readily available to the Group amounted to HK\$126,791,000.
- (d) The effective interest rate of the loans from a related company is ranging from 3.35%-3.45% (2023: 3.18%-6.59%) per annum.

## 18. SHARE CAPITAL

	30 September 2024		31 March 2024	
	Number of shares '000 (unaudited)	Share capital HK\$'000 (unaudited)	Number of shares '000 (audited)	Share capital HK\$'000 (audited)
<b>Ordinary shares of HK\$0.01 each</b>				
<i>Authorised</i> At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	<b>10,000,000</b>	<b>100,000</b>	10,000,000	100,000
<i>Issued and fully paid</i> At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	<b>403,753</b>	<b>4,039</b>	403,753	4,039

## 19. OPERATING LEASE COMMITMENTS

### The Group as lessor

The Group sub-leases part of its rented service outlets and leases out its investment properties during the period ended 30 September 2024 and 2023. The leases are rented to third parties under operating leases with leases negotiated for a term of one to three years as at 30 September 2024 (31 March 2024: one to three years). None of the leases includes variable lease payments.



## 19. OPERATING LEASE COMMITMENTS (continued)

### The Group as lessor (continued)

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

	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
Within one year	<b>9,698</b>	8,956
After one year but within two years	<b>4,195</b>	6,131
After two year but within three years	<b>1,040</b>	673
	<b>14,933</b>	15,760

## 20. CAPITAL COMMITMENTS

	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	<b>4,164</b>	2,341

## 21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial instruments are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of the financial instruments are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs
	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)		
<b>Financial assets at FVTPL</b> – Listed equity securities	<b>38,552</b>	32,245	Level 1	Quoted market price
<b>Financial liabilities</b> – Derivative financial instruments	<b>1,070</b>	–	Level 3	Monte Carlo Simulation model

There were no transfers between Levels of fair value hierarchy in both periods.

## 22. RELATED PARTY TRANSACTIONS AND BALANCES

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods:

Name of company	Nature of transactions	Notes	Six months ended 30 September	
			2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Related companies</b>				
Chief Link Limited ("Chief Link")	Consignment fees received therefrom	(i), (iii) & (v)	-	1
	Purchase of goods therefrom	(i), (iii) & (v)	17	-
Chief Link (Far East) Limited	Consignment fees received therefrom	(i), (iii) & (v)	-	5
CKK Central Kitchen Limited	Consignment fees received therefrom	(i), (iii) & (v)	-	248
	Rental income received therefrom	(ii), (iii) & (v)	-	94
CKC Food & Beverage Limited ("CKC F&B")	Consignment fees received therefrom	(i), (iii) & (v)	-	4
	Purchase of goods therefrom	(i), (iii) & (v)	50	-
	Rental income received therefrom	(ii), (iii) & (v)	1,295	1,200
	Building management fee received therefrom	(ii), (iii) & (v)	-	294
CKK Cafe Limited ("CKK Cafe")	Consignment fees received therefrom	(i), (iii) & (v)	-	6
	Purchase of goods therefrom	(i), (iii) & (v)	41	-
	Rental income received therefrom	(ii), (iii) & (v)	968	800
	Building management fee received therefrom	(ii), (iii) & (v)	-	220

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods: (continued)

Name of company	Nature of transactions	Notes	Six months ended 30 September	
			2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Related companies</b>				
CKK Japanese Restaurant Limited ("CKK Japanese")	Purchase of goods therefrom	(i), (iii) & (v)	58	–
	Rental income received therefrom	(ii), (iii) & (v)	1,232	–
Glossy Enterprises Limited ("GEL")	Rental expenses paid thereto	(ii), (iii) & (v)	1,785	2,163
Glossy Investment Limited	Rental expenses paid thereto	(ii), (iii) & (v)	345	420
Marina Trading Inc.	Rental expenses paid thereto	(ii), (iii) & (v)	630	630
Silicon Creation Limited ("SCL")	Rental expenses paid thereto	(ii), (iii) & (v)	3,295	3,822
	Repair service fees paid thereto	(i), (iii) & (v)	–	360
	Interest expense paid thereto	(i), (iii) & (vi)	–	150
Telecom King Credit Limited ("TKC")	Rental income received therefrom	(ii), (iii) & (v)	6	6
Telecom King Securities Limited ("TKS")	Subscription fee income received therefrom	(i), (iii) & (v)	392	476
	IT support service income received therefrom	(i), (iii) & (v)	–	300
	Rental income received therefrom	(ii), (iii) & (v)	356	452
Telecom Properties Investment Limited ("TPIL")	Rental expenses paid thereto	(ii), (iii) & (v)	1,067	1,067

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods: (continued)

Name of company	Nature of transactions	Notes	Six months ended 30 September	
			2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Related companies</b>				
Telecom Service Limited ("TSL")	Rental expenses paid thereto	(ii), (iii) & (v)	605	605
Telecom Service One Limited ("TSO")	Repairs and refurbishment service fees paid thereto	(i), (iii) & (v)	256	429
	Logistic fee income received therefrom	(i), (iii) & (v)	454	554
	Grading and refurbishment service fees paid thereto	(ii), (iii) & (v)	32	37
	Management fee received therefrom	(i), (iii) & (v)	-	220
	Rental income received therefrom	(i), (iii) & (v)	968	836
Kung Wing	Interest expense paid thereto	(i), (iii) & (vii)	284	202
<b>An associate</b>				
Sun Mobile Limited	Net service fee income received therefrom	(i)	136,207	150,908
	Mobile plan services paid thereto	(i)	14	-

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods: (continued)

Details of amounts due from related companies are as follows:

		Maximum amount outstanding during the period/year ended			
<i>Notes</i>		30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
CKC F&B	(iii) & (iv)	450	–	450	–
CKK Cafe	(iii) & (iv)	325	–	325	–
CKK Japanese	(iii) & (iv)	433	–	433	–
GEL	(iii) & (iv)	–	88	88	88
TKC	(iii) & (iv)	3	–	3	–
TSL	(iii) & (iv)	459	–	459	–
TSO	(iii) & (iv)	22	10	22	82
		<b>1,692</b>	98		

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods: (continued)

Details of amounts due to related companies are as follows:

	<i>Notes</i>	<b>30 September 2024 HK\$'000 (unaudited)</b>	31 March 2024 HK\$'000 (audited)
Chief Link	(iii) & (iv)	<b>28</b>	49
CKC F&B	(iii) & (iv)	–	60
CKC Cafe	(iii) & (iv)	–	35
CKK Japanese	(iii) & (iv)	–	18
TKS	(iii) & (iv)	–	1
TPIL	(iii) & (iv)	<b>3</b>	–
		<b>31</b>	163

*Notes:*

- (i) These transactions were carried out at terms determined and agreed by the Group and the relevant parties.
- (ii) The grading and refurbishment charges, building management fee, rental income and rental expenses were charged on a monthly fixed amount mutually agreed by the Group and the relevant parties.
- (iii) Mr. CHEUNG King Shek, Mr. CHEUNG King Shan, Mr. CHEUNG King Chuen Bobby and Mr. CHEUNG King Fung Sunny (collectively, the “Cheung Brothers”), the directors of the Company, have direct or indirect beneficial interests in, and control over, the relevant parties.

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods: (continued)

*Notes: (continued)*

- (iv) The amounts are unsecured, interest-free and repayable on demand.
- (v) The transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (vi) On 1 April 2022, the Company entered into a loan agreement with SCL, pursuant to which SCL agreed to grant an unsecured revolving loan facility with a principal amount of HK\$20,000,000 ("SCL Revolving Facility") which is available for drawdown subject to the terms. The facility is valid for 36 months from the date of the loan agreement. The loan's current interest rate is 1-week HIBOR plus 1.2% on funded amounts. The Company shall repay any interests incurred on a monthly basis and repay all outstanding principal at the end of the facility period or within one month upon receipt of notice of demand, whichever is earlier. There is no outstanding loan under the SCL Revolving Facility as at 30 September 2024 and 31 March 2024.

SCL Revolving Facility constitutes financial assistance provided by a connected person to the Group, and the loan from SCL is in the ordinary and usual course of business of the Company and on normal commercial terms, and are not secured by any assets of the Group, therefore, according to Rule 14A.90 of the Listing Rules, the loan that SCL provides to the Group are exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.



## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (a) In addition to the balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties during the periods: (continued)

*Notes: (continued)*

- (vii) On 1 April 2022, the Company entered into a loan agreement with Kung Wing, pursuant to which Kung Wing agreed to grant an unsecured revolving loan facility with a principal amount of RMB20,000,000 (approximately HK\$21,572,000 equivalent) (“Kung Wing Revolving Facility”) which is available for drawdown subject to the terms. The facility is valid for 36 months from the date of the loan agreement. The loan’s current interest rate is the prevailing interest rates promulgated by the People’s Bank of China per annum on funded amounts. The Company shall repay any interests incurred on a monthly basis and repay all outstanding principal at the end of the facility period or within one month upon receipt of notice of demand, whichever is earlier. During the Period, no additional draw down had been made and RMB15,000,000 (approximately HK\$16,655,000) was outstanding as at 30 September 2024 (31 March 2024: RMB15,000,000, equivalent to HK\$16,179,000).

Kung Wing Revolving Facility constitutes financial assistance provided by a connected person to the Group, and the Kung Wing Revolving facility is in the ordinary and usual course of business of the Company and on normal commercial terms, and are not secured by any assets of the Group, therefore, according to Rule 14A.90 of the Listing Rules, the loan that Kung Wing provides to the Group are exempt from the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## 22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (b) The amount due from an associate is trade in nature, unsecured, interest-free with 7 days (31 March 2024: 7 days) credit term and aged within 30 days (31 March 2024: 30 days). The amount is neither past due nor impaired as at 30 September 2024 and 31 March 2024.
- (c) The loan to an associate is unsecured, interest-free and has no fixed term of repayment. As at 30 September 2024, the carrying amount of loan to an associate is Nil (31 March 2024: Nil), net of accumulated impairment loss of HK\$3,680,000 (31 March 2024: HK\$3,680,000).
- (d) **Compensation of key management personnel**  
The remuneration of key management personnel during the periods was as follows:

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
Short-term benefits	<b>8,358</b>	8,325
Post-employment benefits	<b>98</b>	97
	<b>8,456</b>	8,422

The remuneration of the key management personnel is determined by the Directors having regards to the performance of individuals and market trends.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in four business segments, including (i) products business: sales of electronic devices, other consumer goods and related services; (ii) operation services: 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: comprised mainly provision of paging and other telecommunication services.

During the six months ended 30 September 2024, the Group recorded revenue of approximately HK\$538.75 million (2023: HK\$641.85 million) and net profit of approximately HK\$22.79 million (2023: HK\$58.12 million).

Throughout the first half of 2024, Hong Kong’s economy struggled to maintain growth momentum and its economic recovery was sluggish. The overall market grappled with the economic slowdown, weak consumer sentiment and heightened market competition. The overall consumer confidence remained cautious and the business environment continued to be difficult. Throughout the Period, the Group’s product business continued to contribute a primary income stream to the Group. The product business has generated revenue of approximately HK\$382.67 million (2023: HK\$463.43 million), accounted for approximately 71.03% of the Group’s total revenue. As at the date of this report, the Group is operating 70 retail outlets in Hong Kong, offering a diverse range of electronic and consumer products to our customers.

Regarding the operation business, revenue decreased by approximately 13.46% to approximately HK\$136.24 million (2023: HK\$157.42 million) during the Period, which was primarily attributable to intense competition of the telecommunication sector in Hong Kong.

Regarding the property investments business, it continued to contribute steady and dependable income for the Group. Notably from the 13-storey revitalized industrial building located in Kwun Tong successfully acquired by the Group in May 2022, which has been generating stable rental income since the completion of its renovation and updates in 2023.

## FINANCIAL REVIEW

### Segment Analysis

	For the six months ended 30 September			
	2024 (unaudited)		2023 (unaudited)	
	HK\$'000	%	HK\$'000	%
Products business	<b>382,673</b>	<b>71.0</b>	463,433	72.2
Operation services	<b>136,235</b>	<b>25.3</b>	157,419	24.5
Property investments	<b>10,859</b>	<b>2.0</b>	10,173	1.6
Other segment	<b>8,978</b>	<b>1.7</b>	10,821	1.7
Total revenue	<b>538,745</b>	<b>100.0</b>	641,846	100.0

## Revenue

The Group's revenue for the Period was approximately HK\$538.75 million (2023: HK\$641.85 million), representing a decrease of approximately 16.1% over the corresponding period of the previous year.

Revenue from products business was approximately HK\$382.67 million (2023: HK\$463.43 million). The weak consumer sentiment and heightened market competition caused the revenue from products business decreased by approximately 17.4% during the Period as compared to the corresponding period of the previous year. This is the major source of revenue of the Group.

Apart from products business, the keen market competition in the telecommunication market also affected the result from the provision of operation services. Revenue from operation services decreased by approximately 13.5% to approximately HK\$136.24 million (2023: HK\$157.42 million).

Revenue from property investments slightly increased to approximately HK\$10.86 million (2023: HK\$10.17 million), representing an increase of approximately 6.8%. The increase was mainly due to the rental income generated from the building acquired in May 2022.

Revenue from other segment comprises mainly the provision of paging and other telecommunication services of approximately HK\$8.98 million (2023: HK\$10.82 million). Revenue decreased by approximately 17.0% as 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 Period was approximately HK\$2.66 million (2023: HK\$41.16 million), representing a substantial decrease of approximately 93.5% compared to the corresponding period of the previous year. The decrease was mainly due to the gain on disposal of a property of approximately HK\$38.20 million and the government grants of approximately HK\$1.15 million received in the same period of last year.

## Other Operating Expenses

The Group's other operating expenses mainly consisted of rental, utilities and running expenses of shops and customer service centre, information fees in respect of horse racing, football matches and 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 were approximately HK\$44.31 million (2023: HK\$52.35 million), representing a decrease of approximately 15.4% over the corresponding period of the previous year. The decrease was mainly caused by (i) decrease in shops' operating expenses due to the reduction in number of shops; (ii) decrease in information fees for loss of pager users and (iii) decrease in advertising and promotion expenses.

## Share of Results of Associates

Share of results of associates for the Period was approximately HK\$7.04 million (2023: HK\$4.31 million), representing an increase of approximately 63.3% as compared to the corresponding period of 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. During the Period, interest on bank and other borrowings was approximately HK\$16.36 million (2023: HK\$20.29 million), representing a decrease of approximately 19.4%. The management closely monitors the Group's financial position. The decrease was mainly due to the repayment of bank borrowings. Except for the above, there is no significant change in the Group's bank and other borrowings.

### **Income Tax Expense**

Income tax expense represents the sum of the tax payable based on taxable profits and deferred tax. Income tax for the Period was approximately HK\$5.63 million (2023: HK\$10.14 million).

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

Profit attributable to the owners of the Company for the period ended 30 September 2024 was approximately HK\$22.79 million (2023: HK\$58.12 million), representing a decrease of approximately 60.8% compared to the corresponding period of the previous year. The decrease during the Period was primarily due to the gain on disposal of a property of approximately HK\$38.20 million and the government grants of approximately HK\$1.15 million received in the same period of last year offset by (i) decrease in gross profit; (ii) fair value change on financial assets and derivative financial instruments through profit or loss; and (iii) decrease in operating expenses and finance costs of the Period.

### **INVESTMENTS IN FINANCIAL ASSETS**

As at 30 September 2024, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$38.55 million (31 March 2024: HK\$32.25 million), representing approximately 2.9% of the total assets of the Group as at 30 September 2024.

## Listed Equity Securities Investment

The following table sets out the listed equity securities investment held by the Group as at 30 September 2024:

Stock name	HKEX <i>(Note)</i>	CM BANK <i>(Note)</i>
Number of securities held as at 30 September 2024	74,713	341,254
Approximate percentage held to the total issued share capital in the investment company	0.0059%	0.0074%
Fair value as at 31 March 2024 (HK\$'000)	19,941	12,304
Proceeds from disposal during the Period (HK\$'000)	(3,125)	(1,979)
Fair value gain for the Period (HK\$'000)	8,293	3,118
Fair value as at 30 September 2024 (HK\$'000)	25,109	13,443
Approximate percentage of total assets of the Group as at 30 September 2024	1.9%	1.0%
Dividend income during the Period (HK\$'000)	336	794

*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 30 September 2024, the Group's decumulator contracts ("DC") at fair value through profit or loss amounted to approximately HK\$1,070,000 which was classified as a financial liability (31 March 2024: Nil). The DC are linked with securities listed on the Main Board of Stock Exchange. The Group acquired the DC through on-market purchases 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 the recognisable stock exchange for creating values for 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 30 September 2024, the Group had net current liabilities of approximately HK\$492.61 million (31 March 2024: HK\$503.39 million) and had cash and cash equivalents of approximately HK\$29.10 million (31 March 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 30 September 2024, the Group has unutilised banking facilities of approximately HK\$126.79 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 30 September 2024, the Group did not have any material contingent liabilities (31 March 2024: Nil).

## FOREIGN CURRENCY RISK

The majority of the Group's businesses are in Hong Kong and are denominated in Hong Kong dollars, RMB and United States dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors of the Group 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 20 to the condensed consolidated financial statements.

## DIVIDENDS

At a meeting held on 28 November 2024, the Board has resolved to declare the second quarter interim dividend of HK\$0.03 per share in respect of the period ended 30 September 2024 (2023: nil).

## CAPITAL STRUCTURE

There was no change in the capital structure during the Period.

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

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.

Except as disclosed above, the Group did not make any material acquisitions or disposals of properties and subsidiaries during the period ended 30 September 2024 and the year ended 31 March 2024.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed 534 (31 March 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

Looking ahead, the short-term business landscape is expected to remain difficult. The retail industry in Hong Kong continues to face challenges from the sluggish economy and weak consumer sentiment. The prevailing trend of northbound spending and overseas travel has posed challenges for the local retail industry in Hong Kong. Uncertainties in international geopolitics and economics, the lingering uncertainty over interest rates across different countries, have further dampened retail market performance. Despite the resumption of cross-border activities with Mainland China, the domestic economy has recovered in a slower than expected pace over the previous years. The overall consumer confidence remained cautious and the business environment continued to be challenging.

Despite these challenges, the Group is dedicated to providing its customers with exceptional shopping experiences and service quality while prudently focusing on bolstering cost management and improving overall operational efficiency in the future. The Group will persist in exploring and identifying new business opportunities that capitalise on market conditions, and take appropriate strategies to overcome market obstacles and seize potential market opportunities to enhance the Group's overall competitiveness, achieve sustainable growth and deliver sustainable long-term value to the Shareholders.

## OTHER INFORMATION

### SECOND QUARTER INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare the second quarter interim dividend of HK\$0.03 per share for the period ended 30 September 2024. The second quarter interim dividend will be payable in cash to shareholders whose names appear on the register of members of the Company on 18 December 2024 (Wednesday).

The register of members of the Company will be closed from 16 December 2024 (Monday) to 18 December 2024 (Wednesday) (both days inclusive), for the purpose of determining shareholders' entitlement to the second quarter interim dividend, during which period no transfer of shares of the Company will be registered. In order to qualify for the second quarter interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged 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 for registration not later than 4:00 p.m. on 13 December 2024 (Friday). The second quarter interim dividend is expected to be paid on or about 13 January 2025 (Monday).

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

### SHARE OPTION SCHEME

Pursuant to a share option scheme (the "Scheme") adopted on 20 May 2014 ("Adoption Date"), the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further share option will be granted. The Scheme expired on 19 May 2024. The purpose of the Scheme is to attract and retain the best quality personnel for the development of the Group's businesses; provide additional incentives to the qualifying grantees; and promote the long-term financial success of the Group by aligning the interests of option holders to Shareholders.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

### (a) Long position in the shares of the Company

Name of Directors	Capacity	Number of issued ordinary shares held	Approximate percentage of the Company's shares in issue <sup>Note A</sup>
Mr. CHEUNG King Shek	Beneficial owner	20,967,000	5.19%
	Beneficiary of a trust <sup>Note B</sup>	220,000,000	54.49%
Mr. CHEUNG King Shan	Beneficial owner	20,506,000	5.08%
	Beneficiary of a trust <sup>Note B</sup>	220,000,000	54.49%
Mr. CHEUNG King Chuen Bobby	Beneficial owner	20,568,000	5.09%
	Beneficiary of a trust <sup>Note B</sup>	220,000,000	54.49%
Mr. CHEUNG King Fung Sunny	Beneficial owner	20,638,000	5.11%
	Beneficiary of a trust <sup>Note B</sup>	220,000,000	54.49%
Mr. WONG Wai Man	Beneficial owner	30,000	0.0074%
Ms. MOK Ngan Chu	Beneficial owner	30,000	0.0074%

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

### (b) Long position in the shares of associated corporations

Amazing Gain is one of the controlling shareholders of the Company and the holding company of the Company. The companies listed in the table below (apart from Amazing Gain) are subsidiaries of Amazing Gain. In accordance with the SFO, Amazing Gain and the rest of the companies listed in the table below are associated corporations of the Company, as well as, each of the Cheung Brothers is deemed to have interests in the said associated corporations.

Name of associated corporations	Capacity	Number of shares/ Amount of share capital	Approximate percentage of interests
Amazing Gain Limited	Beneficiary of a trust <i>Note B</i>	100	100%
CKK Investment Limited	Beneficiary of a trust <i>Note B</i>	1	100%
Pin International Holdings Limited	Beneficiary of a trust <i>Note B</i>	12	100%

*Note A:* The calculation is based on 403,753,000 shares of the Company in issue as at 30 September 2024.

*Note B:* 220,000,000 ordinary shares of the Company (representing approximately 54.49% of the issued Shares) were held by CKK Investment, CKK Investment is a wholly-owned subsidiary of Amazing Gain. The sole shareholder of Amazing Gain is KW Cheung Family Holdings Limited ("KW Cheung Family Trust"), which holds the shares in Amazing Gain as nominee for HSBC International Trustee Limited (trustee of the KW Cheung Family Trust). The Cheung Brothers are the beneficiary owner of the KW Cheung Family Trust, and the directors of CKK Investment. Therefore, each of the Cheung Brothers is deemed to be interested in the shares of the Companies (shown in the table above) which held by the KW Cheung Family Trust under the SFO.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)**

### **(b) Long position in the shares of associated corporations (continued)**

Save as disclosed above, as at 30 September 2024, none of the Directors nor chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Save as disclosed above, at no time during the Period was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct governing dealings by all Directors in the securities of the Company. Specific enquiries have been made with all Directors, who have confirmed that, during the Period, they were in compliance with the required provisions set out in the Model Code. All Directors declared that they have complied with the Model Code throughout the Period.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the Company's shares in issue which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

### Long Position

Name of substantial shareholders	Capacity/Nature of interest	Number of issued ordinary shares held	Approximate percentage of the Company's shares in issue <sup>Note A</sup>
CKK Investment Limited <sup>Note B</sup>	Beneficial owner	220,000,000	54.49%
Amazing Gain Limited <sup>Note B</sup>	Interest in a controlled corporation	220,000,000	54.49%
HSBC International Trustee Limited <sup>Note B</sup>	Trustee (other than a bare trustee)	220,000,000	54.49%
Ms. TANG Fung Yin Anita <sup>Note C</sup>	Interest of spouse	240,506,000	59.57%
Ms. YEUNG Ho Ki <sup>Note C</sup>	Interest of spouse	240,638,000	59.60%

*Note C:* Ms. TANG Fung Yin Anita and Ms. YEUNG Ho Ki, spouse of Messrs. CHEUNG King Shan and CHEUNG King Fung Sunny respectively, in which are deemed to be interested in the Shares held by Messrs. CHEUNG King Shan and CHEUNG King Fung Sunny under the SFO.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)**

Save as disclosed above, as at 30 September 2024, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the applicable code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix C1 of the Listing Rules throughout the Period except the deviation mentioned in the following paragraph.

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.

## **UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B OF THE LISTING RULES**

Pursuant to Rule 13.51B(1) of the Listing Rules, none of changes in the information of the directors of the Company since the date of the 2023/24 annual report of the Company required to be disclosed in this interim report.

## AUDIT COMMITTEE

The Board has formed an audit committee of the Company (the “Audit Committee”) in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The Audit Committee members currently comprise all of the independent non-executive Directors of the Company, namely, Mr. LAM Yu Lung (the Chairman of Audit Committee), Mr. LAU Hing Wah and Mr. LO Kam Wing, with written terms of reference in compliance with the CG Code. The Audit Committee and the Board have reviewed and approved the Group’s unaudited condensed consolidated interim financial information for the six months ended 30 September 2024.

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

Hong Kong, 28 November 2024

*As at the date of this report, 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.*