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 2026

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 2026 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 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*3*	**1,429,614**	1,331,596
Cost of inventories sold		**(1,035,118)**	(932,443)
Staff costs		**(174,984)**	(188,233)
Depreciation		**(93,717)**	(97,960)
Other income and gains	*5*	**3,984**	7,743
Other operating expenses		**(93,009)**	(93,092)
(Impairment loss) reversal of impairment loss on investment properties		**(55,838)**	1,047
Gain (loss) on change in fair value, net:			
– financial assets at fair value through profit or loss ("**FVTPL**")		**3,370**	15,106
– derivative financial instruments		**785**	(642)
Share of results of associates		**13,690**	20,615
Finance costs	*6*	**(23,143)**	(36,867)
(Loss) profit before tax		**(24,366)**	26,870
Income tax expense	*7*	**(9,861)**	(4,253)
(Loss) profit for the year attributable to owners of the Company	*8*	**(34,227)**	22,617

	Note	**2026**	2025
		HK$'000	*HK$'000*
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,432)**	389
Item that will not be reclassified subsequently to profit or loss:			
Actuarial gain (loss) on long service payment obligations		**331**	(1,930)
Other comprehensive expense for the year		**(1,101)**	(1,541)
Total comprehensive (expense) income for the year attributable to owners of the Company		**(35,328)**	21,076
(Losses) earnings per share *(HK$)*	*10*		
Basic		**(0.08)**	0.06
Diluted		**(0.08)**	0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	**2026** **HK$'000**	2025 *HK$'000*
Non-current assets			
Property, plant and equipment		**283,039**	305,658
Right-of-use assets		**34,775**	42,143
Investment properties		**526,213**	609,500
Club membership		**1,560**	1,560
Interests in associates		**23,579**	30,248
Rental deposits	*11*	**7,265**	6,789
Prepayments for addition of property, plant and equipment	*11*	**536**	1,895
		876,967	997,793
Current assets			
Inventories		**63,240**	86,305
Financial assets at FVTPL		**19,342**	34,761
Derivative financial instruments		**143**	394
Trade and other receivables	*11*	**56,273**	45,032
Amounts due from related companies		**39**	46
Amount due from an associate		**17,439**	8,092
Loan to an associate		**–**	–
Tax recoverable		**3,760**	7,549
Pledged bank deposits		**4**	4,966
Bank balances and cash		**19,012**	22,691
		179,252	209,836
Current liabilities			
Trade and other payables	*12*	**83,288**	80,959
Contract liabilities		**3,822**	4,332
Amounts due to related companies		**66**	421
Derivative financial instruments		**–**	1,036
Lease liabilities		**24,686**	31,492
Bank and other borrowings		**480,220**	583,746
Tax payables		**3,856**	577
		595,938	702,563
Net current liabilities		**(416,686)**	(492,727)
Total assets less current liabilities		**460,281**	505,066

	Note	**2026**	2025
		HK$'000	*HK$'000*
Non-current liabilities			
Long service payment obligations		**3,521**	3,653
Lease liabilities		**12,403**	13,763
Deferred tax liabilities		**1,275**	1,165
		17,199	18,581
Net assets		**443,082**	486,485
Capital and reserves			
Share capital	*13*	**4,039**	4,039
Reserves		**439,043**	482,446
Total equity		**443,082**	486,485

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

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 of the Company consider the immediate holding company and ultimate holding company are CKK Investment Limited and Amazing Gain Limited respectively, which are incorporated in the British Virgin Islands (the "**BVI**"). The Group has been under the control and beneficially owned by 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**") since 1 April 2013. The Company is engaged in investment holding while the principal subsidiaries are principally engaged in product business in sales of electronic devices and other consumer goods and related services, provision of operation services and property investments.

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

Basis of preparation

The Group incurred a net loss of HK$34,227,000 for the year ended 31 March 2026 and as at 31 March 2026, the Group had net current liabilities of HK$416,686,000. The consolidated financial statements have been prepared by the directors of the Company 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$305,489,000 as at 31 March 2026;

(ii) out of the secured bank borrowings of HK$402,034,000, 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$340,886,000.

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$176,772,000, HK$499,213,000 and HK$19,342,000 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 of the Company 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 HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year beginning on 1 April 2025.

Amendments to HKAS 21	*Lack of Exchangeability*

The application of the amendments to HKAS 21 in the current year has had no material impact 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.

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	*Presentation and Disclosure in Financial Statements*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]

[1] *Effective for annual periods beginning on or after 1 January 2026.*

[2] *Effective for annual periods beginning on or after 1 January 2027.*

[3] *Effective for annual period beginning on or after a date to be determined.*

The directors of the Company 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 HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the 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:

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or services lines		
– Sales of goods		
Product business	**1,152,426**	1,037,494
– Services rendered		
Product business	**2,642**	3,108
Operation services	**231,534**	251,353
Others	**16,999**	18,302
	1,403,601	1,310,257
Revenue from other sources		
– Rental income for investment properties under operating lease with fixed lease payments *(Note)*	**26,013**	21,339
	1,429,614	1,331,596

Note: Rental income from related companies and an associate amounted to HK$9,575,000 (2025: HK$9,014,000) are included in revenue.

Disaggregation of revenue from contracts with customers by timing of recognition

	2026	2025
	HK$'000	*HK$'000*
Timing of revenue recognition		
At a point of time	**1,155,050**	1,040,564
Over time	**248,551**	269,693
	1,403,601	1,310,257

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

As at 31 March 2026 and 2025, 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 of the Company 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 provision of related services to the Group's retail customers and distributors
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 2026

	Product business *HK$'000*	**Operation services** *HK$'000*	**Property Investments** *HK$'000*	**Other segment** *HK$'000*	**Elimination** *HK$'000*	**Total** *HK$'000*
Revenue						
External sales	**1,155,068**	**231,534**	**26,013**	**16,999**	**–**	**1,429,614**
Inter-segment sales	**1,464**	**–**	**8,629**	**–**	**(10,093)**	**–**
Segment revenue	**1,156,532**	**231,534**	**34,642**	**16,999**	**(10,093)**	**1,429,614**
Segment results	**43,424**	**16,884**	**(57,516)**	**5,942**		**8,734**
Bank interest income						**61**
Finance costs						**(23,143)**
Share of results of associates						**13,690**
Gain on change in fair value of financial assets at FVTPL						**3,370**
Gain on change in fair value of derivative financial instruments						**785**
Corporate expenses, net						**(27,863)**
Loss before tax						**(24,366)**

For the year ended 31 March 2025

	Product business *HK$'000*	Operation services *HK$'000*	Property Investments *HK$'000*	Other segment *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
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

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 on change in fair value of financial assets at FVTPL, gain (loss) on change in fair value of derivative financial instruments, certain other income and gains, corporate expenses and directors' and chief executive's emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Other segment information

For the year ended 31 March 2026

	Product business *HK$'000*	Operation services *HK$'000*	Property investments *HK$'000*	Other segment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss:						
Depreciation of property, plant and equipment	14,421	1,235	–	85	14,194	29,935
Depreciation of right-of-use assets	36,333	–	–	–	–	36,333
Depreciation of investment properties	–	–	27,449	–	–	27,449
Written off of lease receivables	–	–	164	–	–	164
Impairment loss on investment properties	–	–	55,838	–	–	55,838
Gain on disposal of property, plant and equipment, net	(269)	–	–	(15)	–	(284)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Share of results of associates	–	(13,690)	–	–	–	(13,690)
Dividend income from financial assets at FVTPL	–	–	–	–	(1,174)	(1,174)

For the year ended 31 March 2025

	Product business *HK$'000*	Operation services *HK$'000*	Property investments *HK$'000*	Other segment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
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, net	(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)

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:

	2026 **HK$'000**	2025 *HK$'000*
Customer A[1]	**475,071**	423,741
Customer B[2]	**232,374**	251,970

[1] *Revenue from product business.*

[2] *Revenue from operation services.*

5. OTHER INCOME AND GAINS

	2026	2025
	HK$'000	*HK$'000*
Bank interest income	**61**	169
Dividend income from financial assets at FVTPL	**1,174**	1,452
Gain on disposal of property, plant and equipment, net	**284**	2,485
Handling income	**502**	1,065
Written off of other payables	**–**	1,226
Exchange gain	**703**	–
Others	**1,260**	1,346
	3,984	7,743

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest expenses on:		
– bank and other borrowings	**20,253**	32,435
– lease liabilities	**2,890**	4,432
	23,143	36,867

7. INCOME TAX EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– current year	**9,260**	3,757
– under provision in respect of prior years	**479**	45
	9,739	3,802
PRC Enterprise Income Tax		
– current year	**12**	11
Deferred tax		
– current year	**110**	440
	9,861	4,253

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.

8. (LOSS) PROFIT FOR THE YEAR

	2026	2025
	HK$'000	*HK$'000*
(Loss) profit for the year is arrived at after charging (crediting):		
Directors' and Chief Executive's emoluments		
– fees	**360**	360
– salaries, allowances and other benefits	**9,084**	9,070
– discretionary bonuses	**1,318**	2,540
– contributions to retirement benefits scheme	**90**	90
	10,852	12,060
Other staff costs		
– salaries, allowances and other benefits	**157,627**	169,643
– contributions to retirement benefits scheme	**6,042**	6,392
– provision for long service payments obligations	**463**	138
	164,132	176,173
Total staff costs	**174,984**	188,233
Written off of inventories *(Note (a))*	**–**	343
Reversal of allowance for inventories *(Note (a))*	**–**	(8)
Auditor's remuneration *(Note (b))*	**1,000**	1,000
Written off of lease receivables *(Note (b))*	**164**	–
Exchange loss	**–**	1,237
Depreciation of property, plant and equipment	**29,935**	28,179
Depreciation of investment properties	**27,449**	25,245
Depreciation of right-of-use assets	**36,333**	44,536

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

	2026	2025
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
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
2024/25 fourth quarter interim dividend of HK$0.02 per share	**8,075**	–
	8,075	28,263

Subsequent to the end of the reporting period, the directors of the Company has resolved to declare the fourth quarter interim dividend of HK$0.03 per share in respect of the year ended 31 March 2026 (2025: four quarter interim dividend of HK$0.02 per share).

10. (LOSSES) EARNINGS PER SHARE

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

	2026	2025
	HK$'000	*HK$'000*
(Losses) earnings		
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted (losses) earnings per share	**(34,227)**	22,617

	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (losses) earnings per share	**403,753**	403,753

The diluted (losses) earnings per share for the years ended 31 March 2026 and 2025 are the same as basic (losses) 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

	2026	2025
	HK$'000	*HK$'000*
Trade and lease receivables	**2,897**	2,161
Other receivables *(Note (a))*	**17,428**	17,452
Refundable deposit *(Note (b))*	**4,000**	–
Rental deposits	**15,825**	18,648
Prepayments for addition of property, plant and equipment	**536**	1,895
Utility and other deposits	**8,514**	7,300
Prepayments to suppliers	**8,689**	647
Other prepayments	**6,185**	5,613
	64,074	53,716
Less: Prepayments for addition of property, plant and equipment classified as non-current assets	**(536)**	(1,895)
Rental deposits classified as non-current assets	**(7,265)**	(6,789)
Current portion included in trade and other receivables	**56,273**	45,032

Notes:

(a) 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.

(b) On 29 July 2025, Telecom Digital Investment Limited, a wholly owned subsidiary of the Company, has entered into a sale and purchase agreement with TD King Finance Group Limited, a connected person of the Company, to acquire 100% issued share capital of Telecom King Securities Limited for a consideration of HK$40,000,000. A refundable deposit of HK$4,000,000 has been paid upon execution of the sale and purchase agreement. The sale and purchase agreement was terminated on 31 March 2026 and the deposit was subsequently refunded.

The Group does not hold any collateral over these balances.

As at 31 March 2026, the gross amount of trade receivables arising from contracts with customers amounted to HK$2,555,000 (2025: HK$1,311,000).

The Group allows an average credit period ranging from 7 to 30 days (2025: 7 to 30 days) to its trade customers. The following is an ageing analysis of trade and lease receivables presented based on invoice date and net of impairment at the end of the reporting period, which approximated the respective revenue recognition date.

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**2,605**	1,626
91-180 days	**1**	124
181-365 days	**83**	2
Over 365 days	**208**	409
	2,897	2,161

As at 31 March 2026 and 2025, the expected credit loss rates for trade and lease receivables were immaterial.

12. TRADE AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**61,541**	55,732
Accrued payroll	**7,013**	9,373
Accrued expenses and other payables *(Note)*	**14,734**	15,854
	83,288	80,959

The average credit period on trade payables is 10-50 days (2025: 10-50 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:

	2026	2025
	HK$'000	*HK$'000*
Within 60 days	**61,091**	55,305
61-90 days	**30**	36
Over 90 days	**420**	391
	61,541	55,732

Note: As at 31 March 2026, rental deposits received from related companies and an associate amounted to HK$2,050,000 (2025: HK$1,780,000) are included in accrued expenses and other payables.

13. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	10,000,000,000	100,000

		HK$'000
Issued and fully paid:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	403,753,000	4,039

14. OPERATING LEASING ARRANGEMENTS

The Group as lessor

The Group leases out its investment properties during the years ended 31 March 2026 and 2025. The properties are rented to third parties, related companies and an associate under operating leases with leases negotiated for a term of one to four years (2025: one to four years) as at 31 March 2026. 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:

	2026	2025
	HK$'000	*HK$'000*
Within one year	**10,965**	10,619
After one year but within two years	**6,501**	2,299
After two years but within three years	**2,390**	1,468
After three years but within four years	**–**	1,067
	19,856	15,453

15. CAPITAL COMMITMENTS

	2026	2025
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**1,559**	1,668

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Hong Kong's telecommunications market remained highly penetrated and mature during the year under review. As of January 2026, the mobile subscriber penetration rate in Hong Kong reached 440.9%, reflecting the continued importance of mobile devices in the local market. With growing customer demand for network optimization and service innovation, industry growth has been driven primarily by mobile data and value-added digital services, rather than by the use of basic voice services.

The Hong Kong retail environment showed signs of improvement in 2026, with retail sales rising 6.4% year-on-year in April 2026 and 11.3% in the first four months of the year, although recovery remained uneven across categories. For mobile phone retailers, the market demand remained influenced by consumer sentiment, device replacement cycles, promotional activity and competition from online and cross-border channels. Overall, the market environment for handset sales was stable but highly price-sensitive, while telecommunication services continued to benefit from demand for faster data, 5G-enabled products and bundled connectivity solutions.

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.

Management focused on strengthening distribution efficiency, product mix optimisation and cost control during the year. The Group continued to monitor inventory levels carefully and maintained close relationships with suppliers and network-related business partners in order to respond to market changes promptly. In addition, the Group sought to enhance customer experience through service bundling, targeted promotions and continued investment in service support, with the objective of improving customer loyalty and sustaining market presence in a competitive environment.

During the year under review, the Group's performance reflected a stronger contribution from mobile phone sales, partially offset by weaker operation and telecommunication services and the significant impairment loss arising from property investments.

The Group's mobile phone sales business recorded an increase in sales, reflecting improved market demand and successful product positioning. The increase in turnover demonstrated the Group's ability to capture customer replacement demand and benefit from market activity in the handset segment.

The property investments segment recorded a substantial impairment loss during the year. This was mainly due to the decline in the fair value of certain investment properties amid a weak and competitive leasing environment, together with continued uncertainty in the Hong Kong property market. As a result, the segment had a material adverse effect on the Group's results for the year.

FINANCIAL REVIEW

Segment Analysis

	Year ended 31 March			
	2026		2025	
	HK$'000	*%*	*HK$'000*	*%*
Product business	**1,155,068**	**80.8**	1,040,602	78.1
Operation services	**231,534**	**16.2**	251,353	18.9
Property investments	**26,013**	**1.8**	21,339	1.6
Other segment	**16,999**	**1.2**	18,302	1.4
Total revenue	**1,429,614**	**100.0**	1,331,596	100.0

Revenue

The Group's revenue for the year ended 31 March 2026 was approximately HK$1,429.61 million (2025: HK$1,331.60 million), representing an increase of approximately 7.4% over the previous year.

As at the date of this announcement, the Group operates a network of 70 retail shops. During the year ended 31 March 2026, revenue from product business was approximately HK$1,155.07 million (2025: HK$1,040.60 million). It remained the major source of revenue of the Group.

Revenue from the operation services segment declined by approximately 7.9% to approximately HK$231.53 million (2025: HK$251.35 million) for the year ended 31 March 2026 as compared to the previous year. The decrease was mainly due to the keen market competition of mobile telecommunications services.

Revenue from property investments segment increased approximately 21.9% to approximately HK$26.01 million (2025: HK$21.34 million) for the year ended 31 March 2026. The amount represents rental income generated from investment properties.

Revenue from the other segment comprises mainly the provision of paging and other telecommunication services of approximately HK$17.00 million (2025: HK$18.30 million). Revenue decreased by approximately 7.1% 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 2026 were approximately HK$3.98 million (2025: HK$7.74 million), representing a substantial decrease of approximately 48.5% compared to the previous year. The decline was primarily driven by the absence of written off of other payables and decrease in handling income of approximately HK$1.23 million and HK$0.56 million respectively, off-set by exchange gain of approximately HK$0.70 million (2025: Nil).

Other Operating Expenses

There are no material changes on the Group's other operating expenses. Other operating expenses for the year ended 31 March 2026 were approximately HK$93.01 million (2025: HK$93.09 million). It 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.

Share of Results of Associates

The share of results of associates for the year was approximately HK$13.69 million (2025: HK$20.62 million), representing a decrease of approximately 33.6% as compared to the previous year. The amount mainly represents our share of the net profit of SUN Mobile. The main reason for the decline was the decrease in SUN Mobile's gross profit margin.

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 2026, interest on bank and other borrowings was approximately HK$20.25 million (2025: HK$32.44 million), representing a decrease of approximately 37.6%. The decrease was mainly due to the repayment of bank and other borrowings. As at 31 March 2026, the outstanding bank and other borrowings was approximately HK$480.22 million (2025: HK$583.75 million). 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 2026 was approximately HK$2.89 million (2025: HK$4.43 million).

Income Tax Expense

Income tax expense for the year ended 31 March 2026 was approximately HK$9.86 million (2025: HK$4.25 million), representing an increase of approximately 132.0%. The increase was mainly due to the increase in taxable profit.

Loss for the Year

Loss for the year ended 31 March 2026 was approximately HK$34.23 million (2025: profit approximately HK$22.62 million), representing a decrease of approximately 251.3% as compared to the previous year.

The profit decline for the year ended 31 March 2026 as compared to the previous year was mainly attributable to the combined effects of (i) the decrease in gross profit of approximately HK$4.66 million; (ii) an impairment loss on investment properties of approximately HK$55.84 million (2025: reversal of impairment loss of approximately HK$1.05 million); (iii) the decrease in recognition of a net fair value gain on financial assets and derivative financial instruments of approximately HK$10.31 million; (iv) the decrease in share of result of SUN Mobile of approximately HK$6.93 million; (v) the increase in income tax expenses of approximately HK$5.61 million; (vi) the decrease in staff cost of approximately HK$13.25 million; and (vii) the decrease in finance cost of approximately HK$13.72 million.

Investments in Financial Assets

As at 31 March 2026, the Group's financial assets at fair value through profit or loss amounted to approximately HK$19.34 million (2025: HK$34.76 million), representing approximately 1.8% of the total assets of the Group as at 31 March 2026. 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 2026.

Stock name	**HKEX** *(Note)*	**CM BANK** *(Note)*
Number of securities held as at 31 March 2026	23,200	209,549
Approximate percentage held to the total issued share capital in the investment company	0.0018%	0.0046%
Fair value as at 31 March 2025 *(HK$'000)*	21,281	13,480
Proceeds from disposal during the year ended 31 March 2026 *(HK$'000)*	15,096	3,693
Fair value gain for the year ended 31 March 2026 *(HK$'000)*	2,831	539
Fair value as at 31 March 2026 *(HK$'000)*	9,016	10,326
Approximate percentage of total assets of the Group as at 31 March 2026	0.85%	0.98%
Dividend income during the year ended 31 March 2026 *(HK$'000)*	387	787

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 2026, the fair value of the Group's decumulator contract ("**DC**") amounted to approximately HK$143,000 (2025: HK$642,000). The DC is linked with securities listed on the Main Board of the Stock Exchange. The Group entered into the DC with a financial institution in Hong Kong.

The Group's Investment Strategy for These Investments

The Group's investment objective is to generate stable additional interest or dividend income. Its 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 2026, the Group had net current liabilities of approximately HK$416.69 million (2025: HK$492.73 million) and had cash and cash equivalents of approximately HK$19.01 million (2025: HK$22.69 million).

The Group's current ratios for the two years ended 31 March 2026 and 2025 were approximately 0.30. As at 31 March 2026, the Group's gearing ratio was approximately 108.4% as compared to approximately 120.1% as at 31 March 2025, which was calculated based on the Group's total borrowings (including bank and other borrowings and amounts due to related companies) of approximately HK$480.29 million (2025: HK$584.17 million) and the Group's total equity of approximately HK$443.08 million (2025: HK$486.49 million). The Group's total cash at banks as at 31 March 2026 amounted to approximately HK$19.01 million (2025: HK$22.69 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 2026, the Group had unutilised banking facilities of approximately HK$305.49 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 2026, the Group did not have any material contingent liabilities (2025: 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			
	2026		2025	
	HK$ per share	***HK$'000*** **(audited)**	*HK$ per share*	*HK$'000* (audited)
Dividends recognised as distribution during the year:				
2023/24 fourth quarter interim dividend	**–**	**–**	0.04	16,150
2024/25 second quarter interim dividend	**–**	**–**	0.03	12,113
2024/25 fourth quarter interim dividend	**0.02**	**8,075**	–	–
		8,075		28,263

At a meeting held on 30 June 2026, the Board has resolved to declare the fourth quarter interim dividend of HK$0.03 per share in respect of the year ended 31 March 2026 (2025: fourth quarter interim dividend HK$0.02 per share).

Capital Structure

There was no change in the capital structure during the year ended 31 March 2026.

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 29 July 2025, Telecom Digital Investment Limited (the "**Purchaser**"), a wholly owned subsidiary of the Company, entered into a sales and purchase agreement (the "**SPA**") with TD King Finance Group Limited (the "**Vendor**"), a connected person of the Company, to acquire 100% issued share capital of Telecom King Securities Limited ("**TKS**") for a consideration of HK$40 million. For details, please refer to the announcements of the Company dated 29 July 2025, 15 August 2025, 29 August 2025, 12 September 2025, 26 September 2025, 28 November 2025 and 29 January 2026.

As the conditions precedent as agreed in the SPA had not been fulfilled by the long stop date of 31 March 2026, the Purchaser and the Vendor agreed to terminate the acquisition of TKS according to the terms of the SPA. For details, please refer to the announcement of the Company dated 31 March 2026.

Except for the above, the Group did not make any material acquisitions or disposals of properties and subsidiaries during the year ended 31 March 2026.

Employees and Remuneration Policies

As at 31 March 2026, the Group employed 480 (2025: 510) 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 global economic landscape is expected to remain uncertain and complex. The evolving relationship between China and the United States, coupled with ongoing geopolitical tensions, continues to pose challenges to global trade and investment sentiment.

The near-term outlook for the property investments segment in Hong Kong remains cautious. Leasing demand and valuation recovery may take time, and any further changes in market rents or vacancy rates may continue to impact the carrying value of investment properties. The Group will continue to closely monitor its property portfolio and the market developments.

The Group expects the telecommunications market in Hong Kong to remain competitive. Handset sales to remain sensitive to consumer spending patterns, promotional cycles and market competition. The Group will continue to pursue prudent business strategies, strengthen customer relationships, improve operating efficiency and control costs, while closely monitoring economic conditions, retail demand and technological developments in the telecom and retail sectors. In parallel, the Group will actively explore and pursue new business opportunities and diversification initiatives that align with its strategic objectives and complement its core operations. Through these efforts, the Group aims to achieve sustainable, high-quality growth and deliver long-term value to its shareholders.

CORPORATE GOVERNANCE PRACTICES

Supported by the respective Board committees, the Board approves and monitor the Group's overall corporate strategic direction and implementation of policies from time to time and when appropriate, with emphasis on the integrity of good corporate governance. Accordingly, the Company has adopted the principles and the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**" and the "**Listing Rules**", respectively) (as amended from time to time and as applicable) to ensure an effective corporate governance framework and cultivate robust governance culture across all business activities of the Group. Throughout the year ended 31 March 2026 (the "**Year**", "**Financial Year**"), the Company complied with the code provisions as well as applied all the principles under the CG Code as in force during the 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 ("**Model Code**") for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules as the code of conduct of dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, all of the Directors have confirmed that they complied with the required standards 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.

DIVIDEND

On 30 June 2026, the Board resolved to declare a fourth quarter interim dividend of HK$0.03 per share in cash, amounting to approximately HK$12.1 million for the year ended 31 March 2026, which is expected to be payable on Tuesday, 29 September 2026 to shareholders whose names appear on the Register of members of the Company on Friday, 11 September 2026. There was no other quarter interim dividend declared for the Year, whereas a second quarter interim dividend of HK$0.03 per share and a fourth quarter interim dividend of HK$0.02 per share were declared for the year ended 31 March 2025.

In order to determine shareholders who qualify for the fourth quarter interim dividend, the register of members of the Company will be closed from Wednesday, 9 September 2026 to Friday, 11 September 2026, 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 Tuesday, 8 September 2026.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the "**AGM**") will be held on Thursday, 27 August 2026. 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

In order to determine the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 24 August 2026 to 27 August 2026, 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 21 August 2026. Shareholders whose names are recorded in the register of members of the Company on 27 August 2026 are entitled to attend and vote at the AGM.

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 perform 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 2025/2026 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 2025/2026 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, 30 June 2026

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 announcement shall prevail over the Chinese text in case of inconsistencies.