



Telecom Digital Holdings Limited

電訊數碼控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8336)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of Telecom Digital Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (the “Directors”), having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

THE FINANCIAL STATEMENTS

FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company announces the condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 June 2015 (the “Period”), together with the comparative unaudited figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2015

		Three months ended 30 June	
		2015	2014
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Unaudited)
Revenue	3	391,223	346,867
Cost of inventories sold		(288,857)	(243,339)
Staff costs		(33,650)	(27,710)
Depreciation		(5,562)	(4,108)
Other income	5	1,922	1,101
Other operating expenses		(44,146)	(49,436)
Share of results of an associate		8,192	6,397
Finance costs	6	(1,275)	(724)
Profit before tax		27,847	29,048
Income tax expense	7	(4,534)	(3,329)
Profit for the period		23,313	25,719
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating a foreign operation for the period		—	(121)
Other comprehensive expense for the period		—	(121)
Total comprehensive income for the period		23,313	25,598
Earnings per share (HK\$)			
Basic and diluted	8	0.05	0.08

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2015

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note a)</i>	Translation reserve <i>HK\$'000</i>	Legal reserve <i>HK\$'000</i> <i>(Note b)</i>	Retained profit <i>HK\$'000</i>	Total <i>HK\$'000</i>
1 April 2014 (Audited)	5,404	—	—	(112)	91	133,151	138,534
Profit for the period	—	—	—	—	—	25,719	25,719
Exchange differences arising on translation of a foreign operation	—	—	—	(121)	—	—	(121)
Total comprehensive (expense) income for the period	—	—	—	(121)	—	25,719	25,598
Dividends	—	—	—	—	—	(138,000)	(138,000)
Group reorganisation	(5,404)	—	5,404	—	—	—	—
Issuance of ordinary shares in connection with the listing of shares of the Company <i>(Note c)</i>	1,000	99,000	—	—	—	—	100,000
Capitalisation issue <i>(Note d)</i>	3,000	(3,000)	—	—	—	—	—
Share issue expenses	—	(8,637)	—	—	—	—	(8,637)
At 30 June 2014 (Unaudited)	4,000	87,363	5,404	(233)	91	20,870	117,495
1 April 2015 (Audited)	4,000	87,363	5,404	(233)	91	74,664	171,289
Profit and total comprehensive income for the period	—	—	—	—	—	23,313	23,313
At 30 June 2015 (Unaudited)	4,000	87,363	5,404	(233)	91	97,977	194,602

Notes:

- (a) Other reserve represents 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.
- (c) In connection with the Company's placing and listing, the Company issued 100,000,000 ordinary shares of HK\$0.01 each at a price of HK\$1.0 each for a total consideration (before expenses) of approximately HK\$100,000,000. Dealing of the Company's shares on the GEM of the Stock Exchange commenced on 30 May 2014.
- (d) Pursuant to the written resolutions passed by the shareholders of the Company on 20 May 2014, the Directors were authorised to capitalise a sum of HK\$2,999,999.40 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 299,999,940 shares for allotment and issue to the then shareholders of the Company as at 20 May 2014 in proportion to their then respective shareholdings in the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business is 19th Floor, YHC Tower, No.1 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The functional currency of the Company is Hong Kong dollars (“HK\$”) while that of the subsidiary established in Macau is Macau Pataca. 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.

The Directors consider the immediate holding company is CKK Investment Limited (“CKK Investment”) and the ultimate parent is the Cheung Family Trust.

Pursuant to a group reorganisation (the “Reorganisation”) to rationalise the structure of the Group in preparation of the listing of the Company’s shares on the GEM of the Stock Exchange (the “Listing”), the Company became the holding company of the Group on 20 May 2014. Details of the Reorganisation were set out in the section headed “History and Development — Reorganisation” of the prospectus of the Company dated 26 May 2014 (the “Prospectus”).

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, these condensed consolidated financial statements have been prepared on the basis as if the Company has always been the holding company of the companies comprising the Group before the completion of Reorganisation, using the principles of merger accounting as prescribed in Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The condensed consolidated statement of profit or loss and other comprehensive income including the results of the companies comprises the Group have been prepared as if the current group structure had been in existence throughout the corresponding period of the previous year.

The Company is principally engaged in investment holding.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collectively includes all applicable individual HKFRSs, Hong Kong Accounting Standards and interpretations, issued by the HKICPA as well as with the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the consolidated financial statements for the year ended 31 March 2015. The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for accounting periods commencing on or after 1 April 2015. The adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the consolidated financial statements and does not result in substantial changes to the Group’s accounting policies.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold and services provided in the normal course of business, net of discounts. An analysis of the Group's revenue for the period is as follows:

	Three months ended 30 June			
	2015		2014	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)		(Unaudited)	
Retail business	126,369	32.3	119,480	34.4
Distribution business	184,419	47.1	152,103	43.9
Paging and other telecommunication services	31,481	8.1	28,163	8.1
Operation services	48,954	12.5	47,121	13.6
Total revenue	<u>391,223</u>	<u>100.0</u>	<u>346,867</u>	<u>100.0</u>

4. SEGMENT INFORMATION

The Group's chief operating decision maker has been identified as the executive directors of the Company. The information reported to the chief operating decision maker for purposes of resource allocation and performance assessment focuses specifically on respective businesses of the Group. The Group's operating and reportable segments are as follows:

Retail business	—	Sales of mobile phones and pre-paid SIM cards and related services
Distribution business	—	Distribution of mobile phones and related services
Paging and other telecommunication services	—	Sales of pagers and Mango Devices and provision of paging services, maintenance services and two-way wireless data services
Operation services	—	Provision of operation services

Geographical information

During the three months ended 30 June 2015, the Group's operations are located in Hong Kong and Macau (2014: Hong Kong and Macau). More than 99% of the Group's revenue was generated in Hong Kong and substantially all of the non-current assets are located in Hong Kong during the Period and the corresponding period in 2014.

5. OTHER INCOME

	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	86	45
Consultancy income	75	75
Gain on disposal of property, plant and equipment	—	1
Rental income	755	829
Warehouse storage income	97	42
Exchange gain	882	—
Others	27	109
	<u>1,922</u>	<u>1,101</u>

6. FINANCE COSTS

	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
— Bank borrowings and bank overdrafts wholly repayable within five years	979	724
— Bank borrowings wholly repayable over five years	296	—
	<u>1,275</u>	<u>724</u>

7. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the three months ended 30 June 2015.

Macau Complementary Income Tax is charged at the progressive rate on the estimated taxable profits.

8. EARNINGS PER SHARE

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

	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic earnings per share for the period attributable to the owners of the Company	<u><u>23,313</u></u>	<u><u>25,719</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><u>400,000,000</u></u>	<u><u>334,444,444</u></u>

The weighted average number of 400,000,000 ordinary shares were in issue during the Period.

The weighted average number of ordinary shares in issue during the three months ended 30 June 2014 represented 300,000,000 ordinary shares in issue before the Listing and the weighted average of 100,000,000 ordinary shares issued upon the Listing.

The dilutive earnings per share is equal to the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the three months ended 30 June 2015 and 2014.

9. DIVIDEND

The Board has resolved not to declare any dividend for the three months ended 30 June 2015 (2014: Nil).

10. EVENTS AFTER REPORTING PERIOD

(a) *Grant of share options*

On 7 July 2015, the Company granted share options to the eligible participants (the “Grantees”) pursuant to the Company’s share option scheme adopted on 20 May 2014. The share options give the Grantees the right to subscribe for a total of 4,596,000 ordinary shares of HK\$0.01 each of the Company at an exercise price of HK\$2.22 per share. Details of the share options granted are set out in an announcement of the Company dated 7 July 2015.

(b) *Acquisition of a real property for commercial use*

On 14 May 2015, the Group had entered into sales and purchase agreement with two independent third parties to purchase a real property for commercial use with consideration of approximately HK\$25,200,000. The transaction was completed on 14 July 2015.

USE OF PROCEEDS

The net proceeds from the placing were approximately HK\$77.7 million, which was based on the final placing price of HK\$1.00 per share and the actual expenses on the placing and listing of shares of the Company. As at the date of this announcement, approximately HK\$66.7 million out of the net proceeds from the Listing has been used in the manner as stated in the Prospectus. The unused net proceeds were placed with banks in Hong Kong as short-term deposits. The Company intends to apply the unused net proceeds in the manner as stated in the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group maintained its market position as one of the leading comprehensive telecommunication service providers in Hong Kong and Macau. The business segments of the Group include (i) retail sales of mobile phones and pre-paid SIM cards and related services; (ii) distribution of mobile phones and related services; (iii) provision of paging and other telecommunication services; and (iv) 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.

The Group will continue to focus on their core business of retail sales and distribution of mobile phones. The Group has been actively expanding the scale of distribution of mobile phones business. In the period under review, the revenue on distribution business increased approximately 21.2% as compared to the corresponding period of the previous year. The management believes that contribution from this sector to the Group’s revenue will continue to grow in the near future. However, due to the popularity of various channels of mobile communication, the total number of paging and Mobitex based services subscribers was keep decreasing during the last few years. The Group keeps facing keen competition against these communication means.

Financial Review

Segment Analysis:

	Three months ended 30 June			
	2015		2014	
	HK\$'000	%	HK\$'000	%
	(Unaudited)		(Unaudited)	
Retail business	126,369	32.3	119,480	34.4
Distribution business	184,419	47.1	152,103	43.9
Paging and other telecommunication services	31,481	8.1	28,163	8.1
Operation services	48,954	12.5	47,121	13.6
Total revenue	<u>391,223</u>	<u>100.0</u>	<u>346,867</u>	<u>100.0</u>

Revenue

The Group's revenue for the three months ended 30 June 2015 was approximately HK\$391,223,000 (2014: HK\$346,867,000), representing an increase of 12.8% over the corresponding period of the previous year. The increase in the Group's revenue was mainly due to higher revenue generated from distribution business.

For the three months ended 30 June 2015, revenue derived from retail sales and distribution of mobile phones and related services contributed to approximately 79.4% of the Group's total revenue, amounting to approximately HK\$310,788,000 (2014: HK\$271,583,000) which represents an increase of approximately 14.4% as compared to the corresponding period of the previous year. Such increase was primarily due to an increase in number of mobile phones sold in the Period. Apart from the increase in revenue from retail sales and distribution business, revenue from provision of operation services also increased by approximately 3.9% as compared to the three months ended 30 June 2014. Such increase was primarily due to an increase in the number of subscribers of Sun Mobile during the Period.

Other Income

Other income is mainly contributed by rental income, interest and consultancy income. Other income for the three months ended 30 June 2015 was approximately HK\$1,922,000 (2014: HK\$1,101,000), representing an increase of approximately 74.6% as compared to the corresponding period of the previous year. Such increase was primarily due to increase in interest income and exchange gain.

Other Operating Expenses

The Group's other operating expenses are mainly consisted of rental and building management fees, information fees in respect of horse racing, football matches and stock market, advertising and promotion expenses, operation fees for paging centre and customer service centre, repair cost for pagers and Mobitex devices, roaming charges, bank charges, audit and professional fees and other office expenses. Other operating expenses for the three months ended 30 June 2015 were approximately HK\$44,146,000 (2014: HK\$49,436,000), representing a decrease of approximately 10.7% over the corresponding period of the previous year.

The decrease was mainly brought by the listing expenses incurred in the Listing in last year and partly off-set by the increase in rental, building management fees and Government rent and rate. The increase in rental expenses was mainly due to the expansion of retail shops and increase in market rental.

Share of Results of an Associate

Share of results of an associate for the three months ended 30 June 2015 was approximately HK\$8,191,000 (2014: HK\$6,397,000), representing an increase of approximately 28.0% as compared to the corresponding period of the previous year. The amount represents our share of net profit of Sun Mobile.

Finance Costs

There is no significant change in the Group's bank borrowings throughout the Period. The finance costs for the three months ended 30 June 2015 were approximately HK\$1,275,000 (2014: HK\$724,000).

Income Tax Expenses

Income tax for the three months ended 30 June 2015 was approximately HK\$4,534,000 (2014: HK\$3,329,000), representing an increase of approximately 36.2%. The increase was mainly due to the tax loss carried forward from previous years was utilised in last year.

Profit for the Period

Profit for the three months ended 30 June 2015 was approximately HK\$23,313,000 (2014: HK\$25,719,000), representing a decrease of approximately 9.4% as compared to the corresponding period of the previous year. The decrease was primarily due to the decrease in gross profit and increase in income tax expenses.

Material Acquisitions or Disposals and Significant Investments

Except for purchase of a real property for commercial use in the amount of HK\$25.2 million, the Group did not make any material acquisition or disposal of subsidiaries or significant investments during the three months ended 30 June 2015.

Dividend

The Board has resolved not to declare any dividend for the three months ended 30 June 2015.

Outlook

The objective of the Group is to focus on the telecommunications market in Hong Kong. It aims to continue to enhance its service quality, strengthen its market position, increase its market share and strengthen the brand recognition of the Group. To achieve such objectives, the Group will continue to expand its shops network. During the period from 1 April 2015 to the date of this announcement, the Group has already opened 4 new shops and it plans to open more new retail shops in 2015. The Group believes that this will enable the Group to enlarge its revenue and brand recognition in the telecommunication industries.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

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

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2015, 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 Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

The Company

Long Position

Name of Directors	Capacity	Number of issued ordinary shares held	Percentage of the number of shares in issue
Mr. Cheung King Shek	Beneficial owner	20,000,000	5%
	Beneficiary of a trust (<i>Note A</i>)	220,000,000	55%
Mr. Cheung King Shan	Beneficial owner	20,000,000	5%
	Beneficiary of a trust (<i>Note A</i>)	220,000,000	55%
Mr. Cheung King Chuen Bobby	Beneficial owner	20,000,000	5%
	Beneficiary of a trust (<i>Note A</i>)	220,000,000	55%
Mr. Cheung King Fung Sunny	Beneficial owner	20,000,000	5%
	Beneficiary of a trust (<i>Note A</i>)	220,000,000	55%

Note A:

The 220,000,000 shares representing 55% of the number of shares of the Company in issue are held by CKK Investment. CKK Investment is wholly-owned by Amazing Gain Limited ("Amazing Gain"). The sole shareholder of Amazing Gain is Asia Square Holdings Limited, which holds the shares in Amazing Gain as nominee for J. Safra Sarasin Trust Company (Singapore) Limited (trustee of the Cheung Family Trust). The Cheung Family Trust is a discretionary trust, the discretionary objects of which include Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny (collectively, the "Cheung Brothers"). Each of the Cheung Brothers is deemed to be interested in the shares in the Company held by the Cheung Family Trust under the SFO.

Save as disclosed above, as at 30 June 2015, 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

Share Option Scheme

The share option scheme of the Company (the “Share Option Scheme”) was adopted by the shareholders of the Company on 20 May 2014 which will remain in force for a period of 10 years from the effective date of the Share Option Scheme. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The principal terms of the Share Option Scheme are summarised in the section headed “D. Share Option Scheme” in Appendix V to the Prospectus.

No share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the Period and there were no outstanding share options under the Share Option Scheme as at 30 June 2015.

Directors’ Right 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).

Directors’ Securities Transactions

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM 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 Required Standard of Dealings. All Directors declared that they have complied with the Required Standard of Dealings throughout the Period.

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2015, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the number of shares of the Company 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 GEM Listing Rules:

Long Position

Name of substantial shareholders	Capacity/Nature of interest	Number of issued ordinary shares held	Percentage of the number of shares in issue
CKK Investment Limited (<i>Note A above</i>)	Beneficial owner	220,000,000	55%
Amazing Gain Limited (<i>Note A above</i>)	Interest in a controlled corporation	220,000,000	55%
J. Safra Sarasin Trust Company (Singapore) Limited (<i>Note A above</i>)	Trustee (other than a bare trustee)	220,000,000	55%
Ms. Law Lai Ying Ida (<i>Note B</i>)	Interest of spouse	240,000,000	60%
Ms. Tang Fung Yin Anita (<i>Note B</i>)	Interest of spouse	240,000,000	60%
Ms. Yeung Ho Ki (<i>Note B</i>)	Interest of spouse	240,000,000	60%

Note B:

Ms. Law Lai Ying Ida is the wife of Mr. Cheung King Shek. Ms. Tang Fung Yin Anita is the wife of Mr. Cheung King Shan. Ms. Yeung Ho Ki is the wife of Mr. Cheung King Fung Sunny. Pursuant to Part XV of the SFO, each of Ms. Law Lai Ying Ida, Ms. Tang Fung Yin Anita and Ms. Yeung Ho Ki is deemed to be interested in 240,000,000 shares which are interested by their respective husbands.

Save as disclosed above, as at 30 June 2015, 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.

Directors' Interests in Competing Business

Save as disclosed below, as at 30 June 2015, none of the Directors nor their respective close associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

Name of Director	Name of Company	Nature of Interest	Competing Business
Mr. Ho Nai Man Paul	Wiyo Company Limited	director and shareholder	These two companies are engaged in the business of rental of mobile data to outbound travellers from Hong Kong as well as inbound travelers to Hong Kong. Accordingly, these two companies may indirectly compete with the Group's business of sale of SIM cards and with Sun Mobile's business of provision of roaming data services.
	Youyou Mobile Technology Limited	director and shareholder	

Interests of Compliance Adviser

As notified by the Company's compliance adviser, Guotai Junan Capital Limited ("Guotai Junan"), as at 30 June 2015, neither Guotai Junan nor any of its directors or employees or close associates had any interest in the shares of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules except for the compliance adviser agreement entered into between the Company and Guotai Junan in May 2014.

Corporate Governance Practices

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules throughout the Period except the deviation mentioned in the following paragraph.

According to the Code Provision C.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the Period, the executive Directors and chief financial officer of the Company have provided and will continue to provide all non-executive Directors (including independent non-executive Directors) with updates on any material changes to the positions and prospects of the Company, which is considered to be sufficient to provide general updates of the Company's performance, position and prospects 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 C.1.2.

Review of Results

The audit committee of the Company (the “Audit Committee”) was established on 20 May 2014 with written terms of reference in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee, among other things, are to make recommendations to the Board on the appointment, re-appointment and removal of external auditor; to review the financial statements and material advice in respect of financial reporting; to oversee internal control procedures of the Company; and to review arrangements for employees to raise concerns about financial reporting improprieties.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Lam Yu Lung, Mr. Hui Ying Bun and Mr. Ho Nai Man Paul. Mr. Lam Yu Lung is the chairman of the Audit Committee. The Audit Committee has reviewed the Group’s unaudited first quarterly results for the Period.

By order of the Board
Telecom Digital Holdings Limited
Cheung King Shek
Chairman

Hong Kong, 11 August 2015

As at the date of this announcement, the executive Directors are Mr. Cheung King Shek, Mr. Cheung King Fung Sunny, Ms. Mok Ngan Chu and Mr. Wong Wai Man; the non-executive Directors are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and the independent non-executive Directors are Mr. Hui Ying Bun, Mr. Ho Nai Man Paul and Mr. Lam Yu Lung.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.tdhl.cc.