This announcement, for which the directors (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 Growth Enterprise Market ("GEM") of the Stock Exchange for the purpose of giving information with regard to 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.

Telecom Digital 電訊數碼 Wireless Data

Telecom Digital Holdings Limited
電 訊 數 碼 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 6033)

(Stock Code on GEM Board: 8336)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial adviser to the Company

國泰君安國際 GUOTAI JUNAN INTERNATIONAL

Guotai Junan Capital Limited

On 25 August 2016, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of and permission to deal in (i) 402,949,000 Shares in issue, and (ii) the 733,000 Shares which may be issued upon the exercise of the outstanding options which were granted under the Share Option Scheme, on the Main Board by way of transfer of the listing from GEM to the Main Board.

The approval-in-principle has been granted by the Stock Exchange on 28 April 2017 for the Shares to be listed on the Main Board and de-listed from GEM. The last day of dealings in the Shares on GEM (Stock code: 8336) will be 9 May 2017. Dealings in the Shares on the Main Board (Stock code: 6033) will commence at 9:00 a.m. on 10 May 2017. All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the share registrars and transfer offices of the Company following the Transfer of Listing.

Reference is made to the announcement issued by the Company dated 25 August 2016 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to the relevant provisions of the GEM Listing Rules and Main Board Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 25 August 2016, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board.

The Company has applied for the listing of and permission to deal in (i) 402,949,000 Shares in issue, and (ii) the 733,000 Shares which may be issued upon the exercise of the outstanding options which were granted under the Share Option Scheme, on the Main Board by way of transfer of the listing from GEM to the Main Board. The approval-in-principle has been granted by the Stock Exchange on 28 April 2017 for the Shares to be listed on the Main Board and to be de-listed from GEM according to Rule 9A.09(6) of the Main Board Listing Rules.

The Board confirms that all pre-conditions for the Transfer of Listing as set out under Rule 9A.02 of the Main Board Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the Shares as at the date of this announcement.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed and traded on GEM since 30 May 2014. The Group is principally engaged in the telecommunications and related business in Hong Kong, including: (i) retail sales of mobile phones of various brands and pre-paid SIM cards; (ii) distribution of mobile phones and related services; (iii) provision of paging and other telecommunications services; and (iv) provision of operation services to SUN Mobile Limited (which changed its company name from New World Mobility Limited to its current name and its brand name to SUN Mobile on 24 September 2015), a mobile service operator in Hong Kong and a 40%-owned associate of the Group.

There are currently four MNOs and 28 MVNOs in Hong Kong. Telecom Digital Mobile Limited, a wholly owned subsidiary of the Group is one of the MVNOs. The Board believes that the Transfer of Listing will enhance the profile of the Group, strengthen its recognition among public investors and improve the trading liquidity of the Shares. The Board also considers that the listing of the Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group.

As at the date of this announcement, the Board has no immediate plans to change the nature of the business of the Group following the Transfer of Listing. Save as disclosed above, the Transfer of Listing will not involve any issue of new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from 30 May 2014, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock code: 8336) will be 9 May 2017. Dealings in the Shares on the Main Board (Stock code: 6033) will commence at 9:00 a.m. on 10 May 2017.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot of 1,000 Shares each and are traded in Hong Kong dollars. The principal share registrar and transfer office of the Company is Estera Trust (Cayman) Limited and the Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited. No change will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the abovementioned share registrars and transfer offices of the Company following the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 20 May 2014. The Share Option Scheme will remain effective following the Transfer of Listing subject to certain immaterial amendments to the Share Option Scheme and will be implemented in full compliance with the requirements of Chapter 17 of the Main Board Listing Rules.

Pursuant to the Share Option Scheme, the Board may, at its discretion, grant options to eligible participants (being Directors and employees of the Group) entitling them to subscribe for Shares. The total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. As at the date of this announcement, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 733,000, representing 0.18% of the Shares in issue at that date. The listing of the Shares to be issued pursuant to the Share Option Scheme will also be transferred to the Main Board.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted by the Shareholders at the annual general meeting of the Company held on 29 July 2016 to the Directors to allot and issue new Shares and repurchase Shares will continue to be valid and remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or

(c) the date on which the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the directors of the Company.

PUBLIC FLOAT

The Directors confirm that not less than 25% of the total issued share capital of the Company was held by the public (as defined in the Main Board Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

COMPETING BUSINESS

As at the date of this announcement, none of the executive Directors or Controlling Shareholders or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Main Board Listing Rules.

FINANCIAL INDEPENDENCE

The Group has an independent financial system and makes financial decisions according to its own business needs. There is no financial assistance, guarantee and/or security provided by the Controlling Shareholders and their respective associates for the Group since the listing of the Shares on GEM and up to the date of this announcement. The Directors believe that the Company is capable of obtaining financing from third parties without reliance on the Controlling Shareholders.

PUBLICATION OF THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2016

The third quarterly results of the Company for the nine months ended 31 December 2016 were published. Please refer to the third quarterly results announcement and third quarterly report of the Company for the nine months ended 31 December 2016 published respectively on 7 February 2017 and 13 February 2017 for details.

PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of reporting financial results on a quarterly basis and will follow the relevant requirements of the Main Board Listing Rules, which include publishing its interim results and annual results within 2 months and 3 months from the end of the relevant periods or financial year ends respectively.

SCOPE OF THE GROUP'S BUSINESS

The Group has its own paging and Mobitex based network system, a network of 69 shops and a logistics team comprising 28 staff and 13 trucks in Hong Kong. Based on these, the principal business of the Group currently comprises:

i. Retail sales of mobile phones of various brands and pre-paid SIM cards — The Group sells mobile phones of various brands and local pre-paid SIM cards for mobile voice services at its shops in Hong Kong.

ii. Distribution of mobile phones — The Group is currently a non-exclusive distributor of mobile phones of several international renowned brands in Hong Kong and distributes the mobile phones of these brands to wholesalers and retailers.

iii. Provision of paging and other telecommunications services — The Group's paging and other telecommunications services can be broadly categorised into:

(A) data services, which primarily relate to delivery of data as follows:

- Paging services, including the traditional message paging, personal call answering services and information broadcasting services;
- Mobitex based services, which the Group markets under the brand name of "Mango";
- Smartphone apps, namely "TD Stock Pro" and "Mango Pro";
- Information broadcasting through the Internet, namely RaceMate and Racing Odds;

(B) voice services, which primarily relate to voice calls as follows:

- "One card two numbers" services;
- IDD and international call forwarding services;

iv. Provision of operation services to SUN Mobile — The Group's wholly owned subsidiary, TDM, is responsible for the operation of SUN Mobile and receives a services fee. SUN Mobile is an MVNO which provides mobile services in the brand name of "SUN Mobile" in Hong Kong and is an associate of the Group owned as to 40% by TDM and as to 60% by CSL, which is now in turn a subsidiary of HKT. The operation services which the Group provides to SUN Mobile include sales management services, marketing operation services, customer services, billing, payment and debt collection services, and customer data compilation and analysis services. The Group provides sales and customer services to the subscribers of SUN Mobile at the Group's shops in Hong Kong.

Sun Mobile was formerly known as New World Mobility Limited and was owned as to 40% by TDM and as to 60% by CSL. In May 2014, HKT acquired the entire issued share capital of CSL New World Mobility Limited (of which CSL was an indirect wholly owned subsidiary). SUN Mobile was then owned as to 40% by TDM and as to 60% ultimately by HKT. New World Mobility Limited changed name to Sun Mobile in July 2014. On 25 September 2014, SUN Mobile changed its brand name from "New World Mobility" to "SUN Mobile".

OUR RELIANCE ON SUN MOBILE

The Group receives service income from SUN Mobile for providing operation services to it and shares 40% of the results of SUN Mobile. The revenue of the Group's retail operation used to be derived from the sale of mobile phones at discounted price to SUN Mobile Subscribers. The following table sets out the amounts of the Group's revenue, segment results and sharing of results of an associate, which are generated in connection with our business co-operation with SUN Mobile, during the three years ended 31 March 2016 and the nine months ended 31 December 2016:

	Year ended 31 March			**Nine months ended 31 December**
	2014	**2015**	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)
Revenue				
— Service income from provision of operation services to SUN Mobile	159,917	188,290	230,234	227,293
Percentage of the Group's revenue	13.3%	13.9%	16.1%	27.6%
— Sales of mobile phones to SUN Mobile Subscribers	428,107	382,893	438,863	298,310
Percentage of the Group's revenue	35.7%	28.2%	30.7%	36.3%
Total revenue generated in connection with SUN Mobile	588,024	571,183	669,097	525,603
Percentage of the Group's revenue	49.0%	42.1%	46.8%	63.9%

	Year ended 31 March			Nine months ended 31 December
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)
Segment results				
— Service income from provision of operation services to SUN Mobile	14,717	26,166	38,263	47,967
Percentage of the Group's segment results	19.3%	31.6%	44.3%	70.4%
— Sales of mobile phones to SUN Mobile Subscribers	30,807	22,046	27,650	13,010
Percentage of the Group's segment results	40.4%	26.6%	32.0%	19.1%
Total segment results generated in connection with SUN Mobile	45,524	48,212	65,913	60,977
Percentage of the Group's segment results	59.7%	58.2%	76.3%	89.5%
Share of results of an associate (SUN Mobile)	23,295	28,428	31,971	24,318
Percentage of the Group's profit after tax	28.9%	32.7%	35.6%	35.6%

Industry landscape

Currently, there are four MNOs in Hong Kong, namely, China Mobile Hong Kong Company Limited, Hong Kong Telecommunications (HKT) Limited (being a wholly owned subsidiary of HKT), Hutchison Telephone Company Limited and SmarTone Mobile Communications Limited. The MVNOs which provide mobile services need to purchase air time from the MNOs. To the best knowledge of the Directors after making reasonable enquiries, the Directors noted that among the 28 MVNOs in Hong Kong, Hong Kong Broadband Network Limited and China Unicom (Hong Kong) Operations Limited ("China Unicom") provide post-paid mobile voice and data services as SUN Mobile does, while the rest of the MVNOs are providing other various telecommunication services such as "One card two numbers", sales of pre-paid phone cards and roaming services.

To the best knowledge of the Directors after making reasonable enquiries, the MNOs supply airtime and network connection to Hong Kong Broadband Network Limited and China Unicom as follows:

MVNO	MNOs to supply Hong Kong airtime and network connection
Hong Kong Broadband Network Limited	SmarTone Mobile Communications Limited; and China Mobile Hong Kong Company Limited
China Unicom	HKT; and Hutchison Telephone Company Limited

China Telecom Global Limited (being a subsidiary of China Telecom Corporation Limited) was granted an MVNO licence in March 2017. According to the information announced by China Telecom Global Limited, the products and services that it would provide include 4G LTE Service, IDD and roaming, one-card-multiple-numbers, mobile WiFi Service, customer service call centre and online portal. As announced by China Telecom Global Limited, it is going to procure airtime and network connection from HKT. However, China Telecom Global Limited has not yet announced its detailed pricing and services packages as at the date of this announcement.

The Directors believe that the industry outlook of the MVNO industry would continue to be supported by the strong demand for mobile services (including both voice and data services) and the increasing applications of mobile network in Hong Kong. On the other hand, the Directors expect that the introduction of China Telecom Global Limited as a new player in the MVNO industry may increase competition in the market. Increased competition may lead to customers demanding for more efficient services at a more competitive pricing.

Mutual reliance

Pursuant to the Shareholders Agreement, CSL is responsible for supplying network services to SUN Mobile to enable SUN Mobile to provide mobile services to its customers. Therefore, SUN Mobile's access to network has been sufficient and secured. Moreover, as SUN Mobile is actually a subsidiary of CSL, it is natural and commercially reasonable for SUN Mobile to obtain network solely from CSL. On this basis, the Directors are of the view that the reliance of SUN Mobile on the provision of airtime and network connection solely from HKT is consistent with the industry practice.

While SUN Mobile, currently as an indirect 60%-owned subsidiary of HKT, relies on HKT for the provision of network services, SUN Mobile also relies on the Group for its operation. SUN Mobile maintains a minimal number of headcount and TDM is responsible for the operation of SUN Mobile under the Shareholders Agreement and provides operation services including sales management, marketing operation, customer service, billing, payment and debt collection, and customer data compilation and analysis. Accordingly, the Directors consider that the reliance on HKT to provide Hong Kong network connection to SUN Mobile is equally mutual and complementary.

Moreover as a promotional and marketing strategy of the Group, it offers sales discount on selected mobile phone models to SUN Mobile Subscribers as well as subscribers for the Group's paging or Mobitex based services. Such promotional and marketing activities are planned and carried out solely at the Group's discretion and based on market trend and demand for various types of mobile phones. The Group does not provide mobile phones on a zero-price basis. Since it is common for mobile service operators in Hong Kong to offer handset bundle tariff plans to customers, the Directors consider that such marketing strategy is in line with market practice. The Directors also consider that such marketing strategy is equally mutual and complementary between SUN Mobile and the Group because this marketing strategy does not only attract customers for the Group's retail operation, but also help SUN Mobile to attract new subscribers and to retain existing subscribers.

Joint venture partner relationship with CSL (an indirect wholly owned subsidiary of HKT)

Unlike a mere major supplier or a major customer, CSL is in fact a joint venture partner of the Group by virtue of the ownership in SUN Mobile. SUN Mobile is a 60%-owned subsidiary of CSL while it is also a 40%-owned associate of the Group. By the Shareholders Agreement, the responsibility of each of CSL and the Group are clearly stipulated. Pursuant to the Shareholders Agreement, CSL, which is now an indirect wholly-owned subsidiary of HKT, supplies network services to SUN Mobile to enable SUN Mobile to provide mobile services to its customers. The Shareholders Agreement does not have a definite term. It continues to have effect until (i) the parties agree to terminate the agreement; or (ii) SUN Mobile is wound up.

Pursuant to the Shareholders Agreement, among other things, unanimous directors' resolution is required for matters including (i) any shareholders of SUN Mobile or their respective related company or related parties shall enter into or vary any contract or arrangement with SUN Mobile; (ii) any addition, change or variation of the tariff plans of SUN Mobile's mobile services, or calculation of the service fee and the network charges payable by SUN Mobile to the Group and CSL respectively; and (iii) approval and adoption of material budget and capital expenditure. Unanimous shareholders' resolution is required for matters such as merger or amalgamation, assets disposal, winding up, entering into guarantee or indemnity, creating encumbrances, change in business, equity structure, board composition, company name, memorandum and article of association.

TDM and CSL established the joint venture via SUN Mobile and entered into the related Shareholders Agreement in October 2008; and the relationship has not encountered any material adverse change, even when the ownership of CSL has been changed. The Directors confirmed that since the signing of the Shareholders Agreement and up to the date of this announcement, there was not any material disagreement between CSL and TDM.

Based on the above, the interest in SUN Mobile of HKT and the Group is aligned by virtue of the joint ownership in SUN Mobile; and the supplies of air time to SUN Mobile by HKT as well as the Group's role as the operation service provider of SUN Mobile are safeguarded by the Shareholders Agreement.

Ability to reduce level of reliance

The Company considers that in light of the financial performance in the recent years, the due performance of the Company's obligation under the Shareholders Agreement is still in the best interest of the Company and the Shareholders as a whole and thus has no plan to modify its business model in running telecommunications business or seek collaboration with other MNOs apart from HKT. In the unlikely event that the Group's current business relationship with HKT is terminated, the Group needs to modify its business model in running telecommunications business and may need to seek collaboration with other MNOs apart from HKT. Such alternative collaboration with other MNOs may involve, among others, forming joint venture with other MNOs and replicating the business model of SUN Mobile in providing mobile services; or purchasing airtime (and/or network services) from other MNOs and providing mobile services as an MVNO. The Group may also modify its marketing strategy in respect of its retail business.

There is no guarantee that the Group can successfully modify its business model in this circumstance. In the event that the Group cannot successfully or timely modify the marketing strategy, the business and financial performance may be materially and adversely affected. Nevertheless, the Directors are of the view that there would not be material obstacles to modifying the Group's business model in such circumstance after taking into account of the followings:

(i) our executive Directors are experienced in the telecommunication industry and their years of experience in the industry ranged from 26 years to 39 years;

(ii) we have the experience of engaging in the mobile business by purchasing airtime from MNOs other than HKT before the establishment of the joint venture with CSL in 2008. For example, we co-operated with P Plus Communications Limited and acted as the wholesaler of its mobile services from 1997, and purchased airtime from SmarTone Mobile Communications Limited so as to provide our mobile services from 1998 to 2004. In April 1999, we used the brand name

"Rabbit" in relation to our mobile services. We had also purchased airtime from New World PCS Limited from 2001 to 2003 and from CSL since 2003. Based on our past experiences of procuring airtime from other MNOs, we were able to procure airtime from different MNOs continuously without disruption to our businesses;

(iii) there are currently other MVNOs in Hong Kong engaged in the business of provision of mobile or voice services by purchasing airtime from MNOs, proving that such business model is commercially viable; and

(iv) in the event that the Group fails to reach an agreement on the terms and conditions with an MNO for network connection, the Group may seek involvement from the Communications Authority as the Communications Authority is empowered to determine the terms and conditions. Pursuant to section 36A of the Telecommunications Ordinance (Cap. 106 of Laws of Hong Kong), among others:

(a) The Communications Authority may determine the terms and conditions of interconnection to and between telecommunications systems or services licensed under the Telecommunications Ordinance.

(b) The Communications Authority may make a determination on the request of a party to the interconnection or, in the absence of a request, if it considers it is in the interest of the public to do so.

(c) The terms and conditions in a determination may include any technical, commercial and financial terms and conditions that the Communications Authority considers fair and reasonable.

(d) In making a determination, the Communications Authority shall give regard to:

i. the Government's policy objectives for the telecommunications industry;

ii. consumer interests;

iii. encouraging efficient investment in telecommunications infrastructure; the nature and extent of competition among the parties to the interconnection concerned and their respective abilities to compete with each other fairly; and

iv. such other matters as the Communications Authority considers appropriate in the particular circumstances of the case.

(e) Written notice of a determination, or of the completion or adjournment of a determination process commenced, shall be served personally or by registered post on the parties to the arrangement for interconnection or, in the absence of a concluded arrangement, the parties who in the Communications Authority's opinion would have been parties to the interconnection arrangement had it been concluded.

Current status of the Group's relationship with SUN Mobile

Save for (i) the ultimate shareholder of CSL had been changed from Telstra Corporation Limited and New World Development Company Limited to HKT; (ii) accordingly the supplier of network connection had been changed from CSL to HKT; and (iii) the company name and trade name of New World Mobility Limited had been changed to SUN Mobile, there have not been any material changes to the Group's relationship with SUN Mobile subsequent to the commencement of the Company's GEM Listing. The Shareholders Agreement with SUN Mobile is still effective and there is no material change to the major terms of the agreement subsequent to the Company's GEM Listing.

COMPLIANCE MATTERS

Our Group has obtained all licences, permits, approvals and certificates necessary to conduct its business operations and has complied with all applicable laws, rules and regulations in all material respects since the Company's listing on 30 May 2014.

USE OF PROCEEDS

The net proceeds from the Placing were approximately HK$77,700,000, 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 on GEM. As at 30 June 2016, the whole amount of the net proceeds from the Placing had been used in the manner as stated in the Prospectus.

THE KEY FINANCIAL INFORMATION OF THE GROUP

The following table sets forth the selected financial information of the Group for the three years ended 31 March 2016 and the nine months ended 31 December 2016:

	For the year ended 31 March			For the nine months ended 31 December
	2014	**2015**	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)
Revenue	1,198,346	1,358,304	1,428,914	822,199
Cost of inventories sold	(832,569)	(980,125)	(1,002,971)	(482,749)
Staff costs	(109,882)	(121,003)	(141,632)	(121,164)
Depreciation	(17,707)	(20,865)	(22,958)	(17,977)
Other income	12,261	8,491	6,241	4,665
Other operating expenses	(182,454)	(172,045)	(190,425)	(142,980)
Share of results of an associate	23,295	28,428	31,971	24,318
Finance costs	(4,123)	(3,938)	(5,437)	(2,677)
Profit before tax	87,167	97,247	103,703	83,635
Income tax expense	(6,429)	(10,430)	(13,934)	(11,191)
Profit for the year/period attributable to the owners of the Company	80,738	86,817	89,769	72,444

The following table sets forth the breakdown of the Group's revenue and results from different business segments, namely (i) retail sales of mobile phones of various brands and pre-paid SIM cards ("retail business"); (ii) distribution of mobile phones and related services ("distribution business"); (iii) provision of paging and other telecommunications services ("paging and other telecommunications services"); and (iv) provision of operation services to SUN Mobile ("operation services"):

	For the year ended 31 March						**For the nine months ended 31 December**	
	2014		2015		2016		**2016**	
	Revenue	Results	Revenue	Results	Revenue	Results	**Revenue**	**Results**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***	***HK$'000***
							(unaudited)	**(unaudited)**
Retail business	467,975	35,625	421,709	28,759	485,193	32,233	**354,164**	**15,347**
	(39.1%)	(46.7%)	(31.0%)	(34.7%)	(34.0%)	(37.3%)	**(43.1%)**	**(22.5%)**
Distribution business	436,985	13,683	638,888	22,844	616,087	15,751	**179,316**	**4,943**
	(36.5%)	(18.0%)	(47.0%)	(27.6%)	(43.1%)	(18.2%)	**(21.8%)**	**(7.3%)**
Paging and other telecommunication services	133,469	12,220	109,417	5,066	97,400	183	**61,426**	**2,708**
	(11.1%)	(16.0%)	(8.1%)	(6.1%)	(6.8%)	(0.2%)	**(7.5%)**	**(4.0%)**
Operation services	159,917	14,717	188,290	26,166	230,234	38,263	**227,293**	**45,135**
	(13.3%)	(19.3%)	(13.9%)	(31.6%)	(16.1%)	(44.3%)	**(27.6%)**	**(66.2%)**
Total	1,198,346	76,245	1,358,304	82,835	1,428,914	86,430	**822,199**	**68,133**
	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	**(100.0%)**	**(100.0%)**

Revenue

The Group's revenue for the year ended 31 March 2014 was approximately HK$1,198,346,000 (2012/13: HK$1,091,089,000), representing an increase of approximately 9.8% over the previous year. The increase in the Group's revenue was mainly due to higher revenue generated from the distribution business.

The Group's revenue for the year ended 31 March 2015 was approximately HK$1,358,304,000, representing an increase of approximately 13.3% over the previous year. The increase in the Group's revenue was also mainly due to higher revenue generated from the distribution business.

The Group's revenue for the year ended 31 March 2016 was approximately HK$1,428,914,000, representing an increase of approximately 5.2% over the previous year. The increase in the Group's revenue was mainly due to higher revenue generated from the retail business and operation services.

The Group's revenue for the nine months ended 31 December 2016 was approximately HK$822,199,000 (2015: HK$1,167,460,000), representing a decrease of approximately 29.6% over the corresponding period of the previous year. The decrease in the Group's revenue was mainly due to decrease in revenue generated from distribution business by approximately 68.0% as compared to the same period in last year.

Retail and distribution businesses

Revenue from retail business represented approximately 39.1% of the Group's total revenue for the year ended 31 March 2014. Revenue from distribution business for the year ended 31 March 2014 was approximately HK$436,985,000 (2012/13: HK$318,971,000), representing an increase of approximately 37.0% as compared to previous year. As boosted by the strong market demand for smartphones and the keen competition amongst mobile phone manufacturers, updated and new models of smartphones were put to the market by the manufacturers at a fast pace. With new models put to the market, consumers were stimulated to purchase the latest models of smartphones, leading to the increase in market demand and the Group's revenue.

Revenue from retail business represented approximately 31.0% of the Group's total revenue for the year ended 31 March 2015 and experienced a decrease of approximately 9.9% as compared to the previous year because iPhones, which are not the Group's sales goods, captured the market in late 2014. However, revenue from distribution business for the year ended 31 March 2015 was approximately HK$638,888,000, representing an increase of approximately 46.2% as compared to the previous year. The substantial increase was beholden to the new engagement by a mobile phone manufacturer in late 2014.

Revenue from retail business and distribution business together represented approximately 77.1% of the Group's total revenue for the year ended 31 March 2016. Revenue from distribution business for the year ended 31 March 2016 was approximately HK$616,087,000, representing a decrease of approximately 3.6% as compared to the previous year. Although the mobile phone manufacturers launched different products during the year, Hong Kong smartphone prices fell after competition law came into force in December 2015. Revenue from distribution business was hit by the price war in the first quarter of 2016.

The revenue from distribution business for the nine months ended 31 December 2016 decreased by approximately 68.0% as compared to the same period last year. It was due to the change of distribution model of a mobile phone manufacturer, so that the distributor agreement between the Group and such manufacturer expired in August 2016. During the nine months ended 31 December 2016, revenue from sales of mobile phones to SUN Mobile Subscribers amounted to approximately HK$298,310,000 and the related profit amounted to approximately HK$10,500,000.

Paging and other telecommunication services

Revenue from paging and other telecommunication services decreased by approximately 25.5% to approximately HK$133,469,000 (2012/13: HK$179,147,000), by approximately 18.0% to approximately HK$109,417,000 and by approximately 11.0% to approximately HK$97,400,000, for the years ended 31 March 2014, 2015 and 2016, respectively. Revenue from paging and other telecommunication services for the nine months ended 31 December 2016 dropped approximately 18.4% as compared to the same period last year.

The continuous decrease was mainly because there has been a continued decrease in the number of subscribers of the Group's paging services and Mobitex based service. Due to the development of technology, nowadays there are lots of alternative communication services and the use of internet and other wireless communication become affordable and popular. These alternative means of mobile communication are substitutes of paging services, Mobitex based services and the Group's other telecommunication services. These communication means may offer better features and user experience at affordable price. The Group's paging and other telecommunication services are facing keen competition against such communication means.

Operation services

Revenue from operation services for the year ended 31 March 2014 was approximately HK$159,917,000 (2012/13: HK$113,196,000), representing an increase of approximately 41.3% as compared to previous year. The increase was mainly due to the increase in customers of SUN Mobile.

Revenue from operation services for the year ended 31 March 2015 was approximately HK$188,290,000, representing an increase of approximately 17.7% as compared to previous year which was attributable to the increase in average revenue per user and in the light of the stable customer base of SUN Mobile which launched the 4G plans in 2014.

Revenue from operation services for the year ended 31 March 2016 was approximately HK$230,234,000, representing an increase of approximately 22.3% as compared to previous year. As SUN Mobile launched different service plans to attract customers, the number of customers has grown during the year. As boosted by the increase in average revenue per user and in the light of the stable customer growth, the Group's administrative and operational work became more cost efficient and the revenue from operation services continued to grow.

Revenue from operation services continued its growth and amounted to approximately HK$227,293,000 (2015: HK$176,311,000) for the nine months ended 31 December 2016, representing an increase of approximately 28.9% as compared to the same period last year. The increase was mainly due to the adjustment on mobile service monthly plan fees and the increase in customers of SUN Mobile.

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 year ended 31 March 2014 were approximately HK$182,454,000 (2012/13: HK$182,089,000), representing a slight increase of approximately 0.2% over the previous year. The slight increase was mainly brought by the increase in advertising and promotion, rental expenses and the listing expenses incurred in the listing of the Shares on GEM, and partly off-set by the decrease in information fees and operation fees for paging centre and customer service centre. In addition, the Group ceased to appoint a third party for carrying out the telemarketing activities which also led to the decrease in operation fee. The increase in rental expenses was mainly due to the increase in market rental during the year.

Other operating expenses for the year ended 31 March 2015 were approximately HK$172,045,000, representing a decrease of approximately 5.7% over the previous year. The decrease was mainly brought by the decrease in listing expenses and information fees, and partly off-set by the increase in rental expenses and write-off of obsoleted paging devices.

Other operating expenses for the year ended 31 March 2016 were approximately HK$190,425,000, representing an increase of approximately 10.7% over the previous year. The increase was mainly brought by the increase in rental expenses, and partly off-set by the decrease in information fees and write-off of obsoleted paging devices.

Other operating expenses for the nine months ended 31 December 2016 were approximately HK$142,980,000 (2015: HK$141,437,000), representing a slight increase of approximately 1.1% over the corresponding period of the previous year.

The decrease in information cost during the past years was mainly due to the decrease in financial data charged by the HKEx Information Services Limited by reference to the usage of information. Because of the declining number of subscribers, the usage of information decreased accordingly. The increase in rental expenses for the past years was primarily due to the expansion of retail shops and the increase in market rental.

Share of Results of an Associate

Share of result of an associate were approximately HK$23,295,000 (2012/13: HK$12,983,000), approximately HK$28,428,000 and approximately HK$31,971,000 for the years ended 31 March 2014, 2015 and 2016, representing an increase of approximately 79.4%, approximately 22.0% and approximately 12.5% as compared to the previous year. The amount represents the Group's share of net profit of SUN Mobile.

Share of results of an associate for the nine months ended 31 December 2016 was approximately HK$24,318,000 (2015: HK$24,227,000), representing an increase of approximately 0.4% as compared to the corresponding period of the previous year. The increase was also mainly due to the adjustment on mobile service monthly plan fees and the increase in customers of SUN Mobile.

Profit for the Year/Period Attributable to the Owners of the Company

Profit for the three years ended 31 March 2014, 2015 and 2016 were approximately HK$80,738,000 (2012/13: HK$50,384,000), approximately HK$86,817,000 and approximately HK$89,769,000, respectively, representing an increase of approximately 60.2%, approximately 7.5% and approximately 3.4%, respectively, as compared to the previous year. Profit for the nine months ended 31 December 2016 was approximately HK$72,444,000 (2015: HK$62,728,000), representing an increase of approximately 15.5% as compared to the corresponding period of the previous year. The increases in the Group's profit for the above period was primarily due to the increase in operating service income.

Net cash (used in) generated from operating activities

The Group derives its cash from operating activities from receipt of payments for provision of its operation services and retail and distribution businesses. The Group's cash used in operating activities is principally for purchase of mobile phones, payment of staff cost and other operating expenses.

For the year ended 31 March 2016, we had net cash generated from operating activities of approximately HK$152.0 million. Profit before tax for the year was approximately HK$103.7 million. Adjustments were primarily attributable to a combined result of (i) depreciation of property, plant and equipment in the amount of approximately HK$23.0 million; and (ii) share of results of an associate of approximately HK$32.0 million, resulting in operating cash flows before movements in working capital of approximately HK$107.5 million. Changes in working capital represented a net increase of approximately HK$58.1 million in cash, mainly as a result of (i) decrease in trade and other receivables of approximately HK$30.7 million; (ii) decrease in inventories of approximately HK$29.1 million; and (iii) increase in trade and other payables of approximately HK$15.2 million, primarily because of the expiry of the distributor agreement between a mobile phone manufacturer and us in August 2016 in respect of our distribution business.

For the year ended 31 March 2015, we had net cash used in operating activities of approximately HK$119.1 million and profit before tax for the year was approximately HK$97.2 million. Adjustments were primarily attributable to a combined result of (i) depreciation of property, plant and equipment in the amount of approximately HK$20.9 million; and (ii) share of results of an associate of approximately HK$28.4 million, resulting in operating cash flows before movements in working capital of approximately HK$98.8 million. Changes in working capital represented a net decrease of approximately HK$207.2 million in cash, mainly as a result of (i) increase in inventories of approximately HK$134.4 million; (ii) increase in trade and other receivables of approximately HK$56.4 million; and (iii) decrease in trade and other payables of approximately HK$17.6 million. The changes were beholden to our new engagement by a mobile phone manufacturer as its distributor in late 2014 for our distribution business.

Liquidity and financial resources

The Group had net current assets of approximately HK$61.7 million as at 31 March 2014, and recorded net current liabilities of approximately HK$65.5 million and HK26.6 million as at 31 March 2015 and 2016, respectively. As at 31 December 2016, the Group recorded net current liabilities of approximately HK$29.5 million.

We recorded net current liabilities of approximately HK$65.5 million as at 31 March 2015 primarily because of the acquisitions of properties for using as our headquarters office and warehouse in the financial year ended 31 March 2015 which were financed by cash of approximately HK$107.1 million and mortgage loan of approximately HK$62.3 million.

The improvement in the financial position of the Group as at 31 March 2016 is mainly attributable to the combined effects of our net profits of approximately HK$89.8 million for the year ended 31 March 2016, which was partially net-off by (i) our further purchases of properties as shops financed by cash of approximately HK$21.5 million and mortgage loan of HK$6.0 million; and (ii) the payment of dividend of approximately HK$28.0 million.

The Group also has available banking facilities to meet its potential needs for business expansion and development. The Group's total cash and cash equivalents as at 31 December 2016 amounted to approximately HK$44 million and it has unutilised banking facilities of approximately HK$410 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. Taking into account our cash at banks, anticipated cash flow from our operating activities and unutilised banking facilities, our Directors are of the opinion that we have sufficient working capital to meets our financial obligations.

Please refer to the annual reports of the Company for the three years ended 31 March 2016 and the third quarterly report of the Company for the nine months ended 31 December 2016 for details of the financial performance of the Group and the corresponding management discussion and analysis of the respective financial periods.

INDUSTRY OVERVIEW

Review of Mobile Services industry

Competition in public mobile services is vibrant. As at May 2016, there were four MNOs, namely, China Mobile Hong Kong Company Limited, Hong Kong Telecommunications (HKT) Limited, Hutchison Telephone Company Limited and SmarTone Mobile Communications Limited, providing a wide range of public mobile services.

In March 2016, the number of mobile service subscribers was 16.72 million, representing one of the highest penetration rates in the world at about 228.3%. Among these subscribers, 14.69 million were 3G/4G service customers. Other than basic voice services, mobile data services are very popular among consumers. As at March 2016, local mobile data usage recorded a surge to 20,557 Terabytes (i.e. 20,557,188 Gigabytes), or an average of 1,358 Mbytes per 2.5G/3G/4G mobile user. This represents a growth of 1.18 times in the mobile data usage over the same period in 2015 and 1.58 times over the same period in 2014.

In addition to 3G services, all four MNOs have deployed 4G services utilising Long Term Evolution (LTE) technology. This has enabled mobile service subscribers to enjoy data downlink speeds of up to 375 Mbps. With a wide range of high-speed mobile data services available in the market, subscribers are able to download and upload large files via the Internet and enjoy faster and better quality video-streaming and web-browsing on mobile devices. With the launch of the CDMA2000 service in November 2008, visitors can use roaming services through the CDMA2000 network, in addition to the GSM900/1800, W-CDMA, and LTE networks.

Increase in number of MVNOs

Since the Company's GEM Listing in 2014, there has been an increase in the number of MVNOs. At the time of the Company's GEM listing application, there were three (including SUN Mobile) out of 17 MVNOs that provided post-paid mobile voice and data services and each of them relied on a single MNO to supply Hong Kong airtime and network connection for its mobile business. Currently, there are four MNOs in

Hong Kong and 28 MVNOs. Out of the 28 MVNOs, three MVNOs (being SUN Mobile, Hong Kong Broadband Network Limited and China Unicom are currently providing post-paid mobile voice and data service while the remaining MVNOs provide other telecommunications services such as “one card two numbers”, sales of pre-paid phone cards and roaming services, while China Telecom Global Limited has yet to commence providing services at the date of this announcement.

To the best knowledge of the Directors, the increase in the number of MVNOs can be attributable to the increase in the number of mobile services subscribers and increase in demand for various other telecommunication services such as “One card two numbers”, sales of pre-paid phone cards, roaming, and web-based/cloud-based services.

Entry barrier for MVNOS to provide post-paid mobile voice and data services

Notwithstanding the increase in total number of MVNOs in Hong Kong during from 17 to 28 during 2014 to 2017, the number of MVNOs that provide post-paid mobile voice and data services (as SUN Mobile does) increased disproportionally from three to four only during 2014 to 2016, mainly because of the entry barrier as discussed below:

Intensive market competition

Competition in the telecommunications industry is keen. Especially in recent years, several mergers took place which imposed more risk for new entrants as the market size became smaller as a result of the mergers. As an industry norm, the market of post-paid mobile voice and data services has been dominated by several market players in Hong Kong. They compete by way of pricing and service quality. For a new player to enter into the market, unavoidably it has to invest substantially in the aspects of, among others, marketing, promotion, brand building, back-office systems for customer services and customer management.

Ability to obtain network connection

By its nature, a MVNO does not have to own its telecommunication infrastructure and facilities, rather, it focuses at the operation side and application side. If a MVNO chooses to provide post-paid mobile voice and data services, it has to obtain network connection through commercial negotiation with MNOs.

Competitive advantages of SUN Mobile over other MVNOs

The Directors believe that SUN Mobile has the following competitive strength over other MVNOs.

Stable and secured relationship with HKT

SUN Mobile is a 60%-owned subsidiary of HKT, a MNO. This is a unique characteristic of SUN Mobile amongst all the MVNOs in Hong Kong. The interests of SUN Mobile and HKT are aligned. Being a subsidiary of HKT and one of the brands under the multi-brand strategy of HKT, SUN Mobile can work closely with HKT in many important aspects, such as marketing strategy, market segmentation, pricing strategy, customer targeting, resources allocation and resources support. This creates a huge advantage of SUN Mobile over the other MVNOs.

Secured network connection

Pursuant to the Shareholders Agreement, CSL is responsible to supply network services to SUN Mobile to enable SUN Mobile to provide mobile services to its customers. Any addition, change or variation of the calculation of the network charges payable by SUN Mobile to CSL requires unanimous director' resolution of SUN Mobile. This ensures a stable network accessibility for the operation of SUN Mobile. In contrast, the other MVNOs need to negotiate the commercial terms with MNOs for access to network each time their relevant supply contracts end.

Extensive network of shops in Hong Kong

SUN Mobile is operated and marketed in the shops managed and rented by the Group. As at the date of the Announcement, the Group operates a total of 69 shops in Hong Kong, the gross areas of which range from approximately 250 sq.ft. to approximately 1,200 sq.ft., and are generally at locations with high pedestrian flow in various districts in Hong Kong. Compared with the Group, Hong Kong Broadband Network Limited and China Unicom (Hong Kong) Operations Limited (which are two MVNOs currently provide post-paid mobile voice and data services mentioned above) has 13 shops and 24 shops in Hong Kong respectively, according to their respective websites. SUN Mobile is one of the MVNOs in Hong Kong that has the largest number of shops. The extensive network of shops enables SUN Mobile to provide convenient, efficient and quality services to its customers, and it serves an effective means to promote and market the services and goods of SUN Mobile.

Experienced management by the Group

The Group is responsible for providing operational services to SUN Mobile pursuant to the Shareholders Agreement. The executive Directors have served the Group for 26 years to 39 years and participated in the business development of our Group. They thus have extensive experience in the telecommunications business, including the operation of the front end and back end of telecommunications business. Their experience and expertise have contributed to the smooth and efficient operation of SUN Mobile.

RECENT DEVELOPMENT

On 14 March 2017, a wholly owned subsidiary of the Company as purchaser entered into a provisional sales and purchase agreement with an independent third party as vendor for acquisition of the Property at the consideration of HK$25,000,000, approximately HK$15,000,000 of which will be funded by the Group's working capital and the balance of which is expected to be funded by mortgage loans to be obtained from licensed banks in Hong Kong. The completion of the purchase is expected to take place in early May 2017 subject to the verification of the title of the Property. The Group intends to use the Property as one of its retail shops after expiration of the existing tenancy.

The Group has been actively expanding the scale of retail and operation business as well as enhancing the contribution from these sectors to the Group's revenue. However, smartphone penetration allows subscribers to minimise usage of paging services. Revenue from paging services has been decreasing. The Group will continue to prudently manage its business, implement stricter financial control, and streamline its operation and expenditure austerity.

In addition, due to the change of distribution model of a mobile phone manufacturer, revenue from distribution business decreased approximately 68.0% to approximately HK$179,316,000 for the nine months ended 31 December 2016 as compared to the corresponding period of the previous year. The Group and the above manufacturer have also agreed not to renew the distributor agreement after the expiry of the current term. For the financial year ended 31 March 2016, the audited consolidated revenue of the Group was approximately HK$1,428,914,000, of which approximately HK$356,081,000 was generated from the distribution of the mobile devices of such manufacturer. The gross profit of the Group was approximately HK$433,957,000, of which approximately HK$13,638,000 was generated from the distribution of the mobile devices of such manufacturer, representing approximately 3.1% of the Group's total gross profit for that year.

The Group became the distributor of mobile devices of another mobile phone manufacturer in early 2016, and the Group continues to seek for other business opportunities. Accordingly, the management considers that the expiry of the distributor agreement will not have any material adverse impact on the financial position and operation of the Group.

FUTURE PROSPECTS AND BUSINESS STRATEGIES

The competition law which took effect on 14 December 2015 caused a drop in the prices of mobile phones. This is not only good news for consumers who like to keep up with trends and always have the latest models but also leading to the increase in market demand. In addition, mobile phone usage, especially the usage of smartphones, has been surging over the recent years. The number of mobile subscribers in Hong Kong experienced a fast increase during the past few years.

Retail business and provision of operation service are expected to remain key contributors to the Group's financial results, as it continues to monetise on the growing demand.

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. As at the date of this announcement, the Group had 69 shops in operation. It plans to relocate some of the shops and expand the size of the shops. The Group believes that this will enable the Group to enlarge its revenue and brand recognition in the telecommunications industries.

In order to diversify the Group's business and to reduce the concentration of business in SUN Mobile, the Company aims to improve the performance of its other non-SUN Mobile related business. The Company has actively explored investment and business opportunities to broaden its assets and revenue base. Should any investment or business opportunities arise, the Company is committed to broaden the Group's revenue base to enhance its profitability and achieve better return of the shareholders of the Company. In this regard, the Group targets to leverage on its established network of shops, logistics team, experience in provision of telecommunication services and sales and marketing of merchandise, and has recently studied the feasibility plan of engaging in e-commerce in Hong Kong. Preliminarily, the Group's plan is to develop an e-commerce platform with the use of online internet platform, mobile apps, multi-media terminals at shops and other online to offline network, backed by the Group's extensive network of shops and logistics system, so that customers can purchase online and receive delivery from the Group's shops. The Group's target is to generate revenue from online retail sales ("business to customers" ("B2C")). The Group will further publish announcement regarding its above development in business in accordance with the GEM Listing Rules or the Main Board Listing Rules (as applicable) as and when appropriate. **Investors should note that this business plan is under development only and may or may not realise.**

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, the Group has entered into the following transactions, each of which constituted a non-exempt continuing connected transaction for the Company subject to announcement, annual review and reporting requirements but exempt from the independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Main Board Listing Rules, particulars of which were previously disclosed in the Prospectus and the announcements of the Company dated 1 September 2014, 31 March 2015 and 31 March 2017.

1. Purchase of goods by TDD from Radiotex

TDD, a wholly-owned subsidiary of the Company, has been purchasing from Radiotex goods including pagers, Mango Devices and related parts. On 22 May 2014, TDD and Radiotex entered into a master agreement (the "Master Agreement with Radiotex") setting out the governing terms and conditions in relation to such purchase of goods from the 30 May 2014 to 31 March 2017, pursuant to which separate agreements and/or purchase orders in terms not contrary to the Master Agreement with Radiotex would be entered into between TDD and Radiotex from time to time. The price of such goods is determined at cost plus certain percentage of the value of the orders, with reference to the prevailing market rate of similar goods.

Radiotex, which is principally engaged in the design, manufacture and selling of telecommunications products, is a wholly-owned subsidiary of Sun Asia Pacific Limited, which is ultimately owned by the Cheung Brothers (the Controlling Shareholders and Directors). Therefore, Radiotex is an associate of the Cheung Brothers and a connected person of the Company as defined under the GEM Listing Rules and the Main Board Listing Rules. Accordingly, the transactions under the Master Agreement with Radiotex constitute continuing connected transactions for the Company.

As disclosed in the Prospectus and the announcement of the Company dated 31 March 2015, the annual caps for the aggregate amount of goods to be purchased from Radiotex by TDD under the Master Agreement with Radiotex for the two years ended 31 March 2016 and 2017 are HK$12,000,000 and HK$3,000,000 respectively. The aggregate amount of goods purchased from Radiotex by TDD for the year ended 31 March 2016 is approximately HK$9,111,000.

2. Leasing of properties by certain subsidiaries of East-Asia to the Group

The Group has been leasing 19 properties in Hong Kong and Macau from certain wholly-owned subsidiaries of East-Asia for the use by the Group as shops, cell sites, office premises and car-parking spaces. On 22 May 2014, the Company and East-Asia entered into a master agreement (the "Master Agreement with East-Asia") setting out the basic terms and conditions of leasing of properties in Hong Kong and Macau from the 30 May 2014 to 31 March 2017, pursuant to which separate tenancy agreements in terms not contrary to the Master Agreement with East-Asia would be entered into between the Group and subsidiaries of East-Asia (the "East-Asia Group") from time to time. Subsequently on 1 September 2014, the annual caps for the aggregate rents and licence fees payable by the Group to the East-Asia Group under the Master Agreement with East-Asia have been revised while all other basic terms and conditions remain unchanged. The rents and licence fees paid by the Group to the East-Asia Group were determined with reference to the prevailing market rents and licence fees of similar properties in the nearby locations.

As East-Asia is indirectly wholly-owned by the Cheung Family Trust which indirectly holds approximately 55% of the Shares in issue, each of the following wholly-owned subsidiaries of East-Asia, namely, (a) Glossy Enterprises Limited, (b) Glossy Investment Limited, (c) Silicon Creation Limited, (d) Telecom Properties Investment Limited, (e) Telecom Service Limited and (f) H.K. Magnetronic Company Limited, being a party to the respective existing tenancy agreements, is a connected person of the Company as defined under the GEM Listing Rules and the Main Board Listing Rules. Accordingly, the tenancy agreements under the Master Agreement with East-Asia constitute continuing connected transactions for the Company.

As disclosed in the announcement of the Company dated 1 September 2014, the annual caps for the aggregate rents and licence fees payable by the Group to the East-Asia Group under the Master Agreement with East-Asia for the two years ended/ending 31 March 2016 and 2017 are HK$13,178,000 and HK$14,008,000 respectively. The aggregate amount of rents and licence fees paid by the Group to the East-Asia Group under the Master Agreement with East-Asia for the year ended 31 March 2016 is approximately HK$12,638,000.

3. Transactions with TSO

TSO, a wholly-owned subsidiary of TSO Holdings, is principally engaged in providing repair and refurbishment services for mobile phones and other personal electronic products. On 22 May 2014, the Company entered into a master agreement with TSO (the “Master Agreement with TSO”) setting out the governing terms and conditions in relation to the following services provided by TSO and the Group to each other for a term up to 31 March 2017.

TSO is indirectly 55%-owned by the Cheung Family Trust which indirectly holds 55% of the Shares and is therefore a connected person of the Company under the GEM Listing Rules and the Main Board Listing Rules. Accordingly, the below transactions constitute continuing connected transactions for the Company.

Provision of repair and refurbishment services by TSO to the Group

TSO has been providing repair and refurbishment services for pagers and Mango Devices to the Group. The service fee charged by TSO is on a “per device” basis. The service fees are determined by TSO and the Group with reference to the prevailing market rate (in terms of, among others, profit margin) of similar services.

As disclosed in the Prospectus, the aggregate annual caps for the repair and refurbishment service fees payable by the Group to TSO under the Master Agreement with TSO for the two years ended/ending 31 March 2016 and 2017 are HK$10,000,000 respectively. The amount of repair and refurbishment service fee paid by the Group to TSO under the Master Agreement with TSO for the year ended 31 March 2016 is approximately HK$9,139,000.

Consignment of accessories for mobile phones and personal electronic products of TSO

TDS (a wholly-owned subsidiary of the Company) has allowed TSO to sell the accessories for mobile phones and personal electronic products at the Group’s retail shops on a consignment basis in consideration of a consignment fee. The consignment fee, which is based on a fixed percentage of the sales of consigned goods, shall be paid by TSO to TDS for the consignment arrangement. Such consignment fee has been determined by TSO and TDS with reference to the prevailing market rate of similar consignment arrangements.

As disclosed in the Prospectus, the annual caps for the consignment fees receivable by TDS from TSO under the Master Agreement with TSO for the two years ended/ending 31 March 2016 and 2017 are HK$4,000,000 and HK$4,200,000 respectively. The consignment fees received by TDS from TSO under the Master Agreement with TSO for the year ended 31 March 2016 is approximately HK$2,093,000.

The Company will comply with the relevant requirements under Chapter 14A of the Main Board Listing Rules regarding its continuing connected transactions after transfer from GEM to the Main Board.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that subsequent to 31 December 2016 and up to the Latest Practicable Date, there is no unfavourable trends or developments which may have a material adverse impact on the Group's business and financial performance.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each Director and senior management:

Directors

Executive Directors

Mr. Cheung King Shek, aged 65, was appointed as a Director in November 2002, appointed as the chairman of the Company and re-designated as an executive Director in March 2014. He joined the Group in 1981 and is responsible for the overall strategic planning and corporate policies as well as overseeing the operations of the Group. Mr. Cheung King Shek brings to the Group more than 30 years of experience in the telecommunications industry and has achieved a solid track record of achievements. Under his leadership and stewardship, the Group has grown to be a versatile service provider in the telecommunications industry. Mr. Cheung King Shek graduated with a bachelor's degree in commerce from the University of New South Wales in April 1976 and a master degree in business administration from the University of Melbourne in Australia in August 1981. Mr. Cheung King Shek is the chairman of Hong Kong Radio Paging Association, and an honorary citizen of Swatow City. He is the elder brother of Mr. Cheung King Shan (executive Director), Mr. Cheung King Chuen Bobby (executive Director) and Mr. Cheung King Fung Sunny (chief executive officer and executive Director). Mr. Cheung King Shek has been the chairman and a non-executive director of TSO Holdings since August 2012.

Mr. Cheung King Shan, aged 58, was appointed as a Director in November 2002, re-designated as a non-executive Director in March 2014 and re-designated as an executive Director on 8 September 2015. Mr. Cheung King Shan is responsible for advising on sales and marketing and apps writing in relation to the Group's information broadcasting services. He joined the Group in 1985 and was responsible for the overall planning and formulation of the marketing and sales strategies in line with its sales and corporate targets, and played a major role in the growth of the sales volume and customer base. Mr. Cheung King Shan graduated from the Carleton University in Ottawa, Canada with a bachelor's degree in art in November 1983. Mr. Cheung King Shan is the younger brother of Mr. Cheung King Shek (chairman and executive Director), and the elder brother of Mr. Cheung King Chuen Bobby (executive Director) and Mr. Cheung King Fung Sunny (chief executive officer and executive Director). Mr. Cheung King Shan has been a non-executive director of TSO Holdings since August 2012.

Mr. Cheung King Chuen Bobby, aged 58, was appointed as a Director in November 2002, re-designated as a non-executive Director in March 2014 and re-designated as an executive Director on 8 September 2015. Mr. Cheung King Chuen Bobby is responsible for advising on administration, human resources and special and ad hoc projects. Mr. Cheung King Chuen Bobby joined the Group in 1985 and was responsible for the formulation and implementation of its administrative policies as well as overseeing its administrative operation in human resources, legal and administration, property management and PRC projects. Mr. Cheung King Chuen Bobby obtained a bachelor degree in art in urban planning studies and a postgraduate diploma in urban planning implementation from the University of Westminster in London in 1983 and 1984 respectively. Mr. Cheung King Chuen Bobby is a committee member of the Chinese People's Political Consultative Conference of Swatow City, and an honorary citizen of Swatow City. Mr. Cheung King Chuen Bobby is the younger brother of Mr. Cheung King Shek (chairman and executive Director) and Mr. Cheung King Shan (executive Director), and the elder brother of Mr. Cheung King Fung Sunny (chief executive officer and executive Director). Mr. Cheung King Chuen Bobby has been a non-executive director of TSO Holdings since August 2012.

Mr. Cheung King Fung Sunny, aged 49, was appointed as a Director in November 2002, re-designated as an executive Director in March 2014 and appointed as the chief executive officer of the Company on 8 September 2015. Mr. Cheung King Fung Sunny joined the Group in 1990 and is primarily responsible for overseeing the financial management of the Group. Mr. Cheung King Fung Sunny graduated from the University of Western Ontario in Canada with a bachelor's degree in administrative and commercial studies in October 1990. He is a committee member of the Chinese People's Political Consultative Conference of Guangzhou City. Mr. Cheung King Fung Sunny is the younger brother of Mr. Cheung King Shek (chairman and executive Director), Mr. Cheung King Shan (executive Director) and Mr. Cheung King Chuen Bobby (executive Director). Mr. Cheung King Fung Sunny has been an executive director of TSO Holdings since August 2012, and was appointed as its chief executive officer in August 2014.

Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny hold 20,000,000 shares, 20,500,000 shares, 20,000,000 shares and 20,301,000 shares of the Company respectively, all representing approximately 5% of the total issued share capital in the Company as a beneficial owner and is deemed to be interested in 220,000,000 Shares, representing approximately 55% of the total issued share capital in the Company as a beneficiary of a trust. The 220,000,000 shares, representing approximately 55% of the Shares in issue, are held by CKK Investment. CKK Investment is wholly-owned by 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 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.

Each of Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny has entered into a service agreement with the Company for an initial term commencing from 8 September 2015 to 29 May 2017 which shall be terminated in accordance with the provisions of the service agreement by either party giving to the other not less than three months' prior notice in writing, subject to the provisions on retirement by rotation as set out in the Articles of Association. Each of Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny is entitled to a remuneration of HK$1,584,000 per annum and may receive a discretionary bonus subject to the approval by the remuneration committee of the Company and the Board. Their remuneration and discretionary bonus are determined with reference to salaries paid by comparable companies, time commitment and the performance of the Group.

Mr. Wong Wai Man, aged 51, was appointed as an executive Director in March 2014 and is responsible for overall control of the management information system ("MIS") department. Mr. Wong joined the Group for 26 years since March 1991. He is currently holding the position of the senior MIS manager of the Group, before which he was a MIS manager from June 1998 to August 2001. Mr. Wong took the role as an assistant MIS manager from June 1995 to May 1998. Before being promoted to be the assistant MIS manager, Mr. Wong was a system administrator during July 1994 to May 1995. He worked for the Group as a project assistant for the period from March 1991 to July 1994. Mr. Wong was appointed as a member of the Telecommunications Regulatory Affairs Advisory Committee to represent the Radio Paging Operators as a group for a two year term starting from June 2012 to June 2014 and was a member of the Radio Spectrum Advisory Committee for the period from 2010 to 2012. Further, he was admitted as a full member of the Hong Kong Computer Society in May 2012.

Mr. Wong received his bachelor's degree of social sciences from The University of Hong Kong in December 1990 and obtained a postgraduate diploma in strategic business information technology from the NCC Education in October 2008.

Mr. Wong has entered into a service agreement with the Company for an initial term of three years commencing from the 30 May 2014 (being the GEM Listing Date) until terminated by not less than three months' notice in writing to the other party and subject to the early termination provisions contained therein. Mr. Wong is entitled to a fixed remuneration of HK$638,400 per annum and he may receive a discretionary bonus subject to the approval by the remuneration committee of the Company and the Board. His remuneration and discretionary bonus are determined with reference to salaries paid by comparable companies, time commitment and the performance of the Group.

Ms. Mok Ngan Chu, aged 61, was appointed as an executive Director in March 2014 and is responsible for customer services and business operation. Ms. Mok joined the Group in July 1977. For the 39 years' service for the Group, Ms. Mok has rich experience in customer services and business operation, especially in handling the customers' enquiries and complaints, retaining the clients, setting up workflow for the staff and daily operational policies. Ms. Mok completed her secondary education in Hong Kong.

Ms. Mok has entered into a service agreement with the Company for an initial term of three years commencing from the 30 May 2014 (being the GEM Listing Date) until terminated by not less than three months' notice in writing to the other party and subject to the early termination provisions contained therein. Ms. Mok is entitled to a fixed remuneration of HK$473,600 per annum and she may receive a discretionary bonus subject to the approval by the remuneration committee of the Company and the Board. Her remuneration and discretionary bonus are determined with reference to salaries paid by comparable companies, time commitment and the performance of the Group.

Independent Non-Executive Directors

Mr. Hui Ying Bun, aged 70, was appointed as an independent non-executive Director on 20 May 2014. Mr. Hui is the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company. From January 2012 to December 2013, Mr. Hui was a non-executive director of Dah Chong Hong Holdings Limited ("DCH Holdings") (stock code: 1828), a company listed on the Main Board of the Stock Exchange. He was also the chairman of DCH Holdings from July 2007 to December 2013 and was an executive director of DCH Holdings from July 2007 to December 2011. Mr. Hui joined Dah Chong Hong, Limited in February 1966, and was the group chief executive from January 2003. Mr. Hui has more than 40 years' experience in motor vehicle businesses and corporate management. From April 2013 to March 2014, Mr. Hui was an independent non-executive director of TSO Holdings.

Mr. Hui has entered into a service agreement with the Company for an initial term of three years commencing from the 30 May 2014 (being the GEM Listing Date) until terminated by not less than three months' notice in writing to the other party and subject to the early termination provisions contained therein. Mr. Hui is entitled to a fixed remuneration of HK$120,000 per annum and he may receive a discretionary bonus subject to the approval by the remuneration committee of the Company and the

Board. His remuneration and discretionary bonus are determined with reference to salaries paid by comparable companies, time commitment and the performance of the Group.

Mr. Lam Yu Lung, aged 52, was appointed as an independent non-executive Director on 20 May 2014. Mr. Lam is the chairman of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company. Mr. Lam is a Certified Public Accountant (Practising) in Hong Kong and a fellow member of the Institute of Chartered Accountants in England and Wales. He has over 27 years of experience in the accountancy profession and is the sole proprietor of a certified public accountant firm. Mr. Lam received his bachelor degree in social sciences from The University of Hong Kong in November 1988. Mr. Lam has been an independent non-executive director of Arts Optical International Holdings Limited (stock code: 1120) since 30 September 2011.

Mr. Lam has entered into a service agreement with the Company for an initial term of three years commencing from the 30 May 2014 (being the GEM Listing Date) until terminated by not less than three months' notice in writing to the other party and subject to the early termination provisions contained therein. Mr. Lam is entitled to a fixed remuneration of HK$120,000 per annum and he may receive a discretionary bonus subject to the approval by the remuneration committee of the Company and the Board. His remuneration and discretionary bonus are determined with reference to salaries paid by comparable companies, time commitment and the performance of the Group.

Mr. Lau Hing Wah, MH, JP, aged 60, was appointed as an independent non-executive Director on 28 April 2017 (with effect from 1 May 2017). Mr. Lau is currently a chairman of Asia Pacific Holdings Corp. Limited. He is also the chief executive officer of Asia Pacific Power Electric Limited (formerly known as FG Wilson (Engineering) HK Limited) and Cooltech Global Limited, both are wholly-owned subsidiaries of Asia Pacific Holdings Corp. Limited, which engaged in the business of provision of cost effective and consistent high quality electric power products for end users, engineering consultants, project contractors, facilities managers and commercial professionals. Mr. Lau has 40 years experience in electrical engineering profession. He served as a chairman of Kwai Tsing District Fight Crime Committee since 2016, a chairman of Kwai Tsing District Junior Police Call Honorary Presidents Council since 2015, an observer of Independent Police Complaints Council since 2013, a co-opted member of Kwai Tsing District Council and a manager of Hong Kong and Kowloon Chiu Chow Public Association Secondary School since 2012. He also served as a committee member of the 11th of Heilongjiang Provincial Committee of the People's Political Consultative Conference since 2013.

None of the Directors has any written service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Save as disclosed above, none of the Directors (i) has held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) as at the date of this announcement, has any interest in the Shares which required to be disclosed under Part XV of the Securities and Futures Ordinance; and (iii) has any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Main Board Listing Rules and the Board is not aware of any other matter that needs to be brought to the attention of the Shareholders in relation to their directorships.

Senior management

Ms. Lee Wing Tsz, aged 48, was appointed as the chief financial officer of the Group in September 2013 and is primarily responsible for the financial management of the Group. Ms. Lee worked for TDS as group financial controller from September 2009 to August 2012. She was appointed as the chief financial officer of TSO Holdings from August 2012 to September 2013. Ms. Lee also worked for SHINEWING Tax and Business Advisory Limited as tax manager from May 2006 to August 2009. Ms. Lee had worked for The Law Debenture Corporation (H.K.) Limited as assistant trust manager from November 2002 to September 2005. She was a tax manager of Ernst & Young Tax Services Limited from February 1994 to November 2002. Ms. Lee received her bachelor's degree of art in accountancy from the Hong Kong Polytechnic University in November 2002.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for viewing on the respective websites of the Company at **http://www.tdhl.cc** and of the Stock Exchange at **http://www.hkexnews.hk**:

i. the Memorandum and the Articles of Association;

ii. the third quarterly reports of the Group for the nine months ended 31 December 2015 and 2016;

iii. the Directors' report and annual report of the Company for the year ended 31 March 2016;

iv. the first quarterly report of the Group for the three months ended 30 June 2016;

v. the interim report of the Group for the six months ended 30 September 2016;

vi. the circular of the Company dated 30 June 2015 in relation to general mandates to issue and repurchase shares, re-election of directors, re-designation of non-executive directors as executive directors, appointment of chief executive officer and notice of annual general meeting;

vii. the circular of the Company dated 28 June 2016 in relation to general mandates to issue and repurchase shares, re-election of directors and notice of annual general meeting; and

viii. announcements and other corporate communications made by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

"Amazing Gain"	Amazing Gain Limited, a company incorporated in the BVI with limited liability on 10 August 2000 and wholly-owned by the Cheung Family Trust
"Articles of Association"	the articles of association of the Company as adopted by the Company from time to time
"associate(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company" or "our Company" or "we" or "us"	Telecom Digital Holdings Limited (stock code: 8336), a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed and traded on GEM

"Cheung Brothers"	Mr. Cheung King Shek, Mr. Cheung King Shan, Mr. Cheung King Chuen Bobby and Mr. Cheung King Fung Sunny
"Cheung Family Trust"	a discretionary trust established for the benefit of the Cheung Brothers and their family members, of which the Cheung Brothers are among the discretionary objects
"CKK Investment"	CKK Investment Limited, a company incorporated in the BVI with limited liability on 12 March 2014 and is a wholly owned subsidiary of Amazing Gain
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Main Board Listing Rules and, in the context of this announcement, means the controlling shareholder(s) of our Company, namely CKK Investment, Amazing Gain, the Cheung Brothers, and the trustee of the Cheung Family Trust
"CSL"	CSL Limited, an Independent Third Party
"Director(s)"	the director(s) of the Company
"East-Asia"	East-Asia Pacific Limited, a company incorporated in the BVI with limited liability on 18 August 1993 and is a wholly owned subsidiary of Amazing Gain
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing"	the listing of Shares on GEM
"GEM Listing Date"	30 May 2014, on which dealings in Shares first commence on GEM
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
"Group" or "our Group" or "we" or "us"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited

"HKT"	HKT Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and registered as a non-Hong Kong company in Hong Kong (stock code: 6823)
"HK$" or "Hong Kong Dollar(s)"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	individual(s) or company(ies) which is/are independent of and not connected with (within the meaning of the Main Board Listing Rules) any directors, chief executives and substantial shareholders of the Company or any of its subsidiaries and any of their respective associates
"Latest Practicable Date"	24 April 2017, being the latest practicable date prior to the publication of this announcement for the purpose of ascertaining certain information contained in this announcement
"Main Board"	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
"Main Board Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Memorandum"	the memorandum of the Company as adopted by the Company from time to time
"Mango Devices"	the specific devices designed by the Group for the Group's Mobitex based services
"MNO(s)"	mobile network operator(s), a mobile operator that owns its mobile radio network
"Mobitex"	an open systems interconnection model based open standard, national public access wireless packet-switched data network, and a kind of wireless data technology

"MVNO(s)"	mobile virtual network operator(s), a mobile operator that does not own mobile radio networks but rather purchases wholesale capacity from one of the MNOs
"Placing"	the placing of 100,000,000 Shares for the listing of the Shares on GEM as set out in the Prospectus
"PRC"	The People's Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company dated 26 May 2014 in connection with the Placing and the listing of the Shares on GEM
"Property"	Portion 1 of Part A of Restaurant on Ground Floor, Sun On Building, Nos. 484–496 Queen's Road West and Nos. 17–25 Hill Road, Hong Kong
"Radiotex"	Radiotex International Limited, a company incorporated in Hong Kong with limited liability on 3 December 1996 and is owned by Sun Asia Pacific Limited (which is owned by the Cheung Brothers in equal shares) as to 99.99997% and Cheung King Shek as to 0.00003%
"SIM card"	subscriber identity module card
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholders Agreement"	the shareholders agreement dated 28 October 2008 among CSL, TDM and SUN Mobile
"Share Option Scheme"	the share option scheme adopted by the Company on 20 May 2014
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SUN Mobile"	Sun Mobile Limited (formerly known as New World Mobility Limited), a mobile service operator in Hong Kong and a 40%-owned associate of the Group

"SUN Mobile Subscribers"	subscribers of mobile services provided by SUN Mobile
"TDD"	Telecom Digital Data Limited (電訊數碼信息有限公司), a company incorporated in Hong Kong with limited liability on 3 September 1999 and is an indirect wholly-owned subsidiary of the Company
"TDM"	Telecom Digital Mobile Limited (電訊數碼移動有限公司), a company incorporated in Hong Kong with limited liability on 27 August 2001 and is an indirect wholly-owned subsidiary of the Company
"TDS"	Telecom Digital Services Limited (電訊數碼服務有限公司), a company incorporated in Hong Kong with limited liability on 17 September 2001 and an indirect wholly-owned subsidiary of the Company
"TSO"	Telecom Service One Limited, a wholly-owned subsidiary of TSO Holdings is principally engaged in providing repair and refurbishment services for mobile phones and other personal electronic products
"TSO Holdings"	Telecom Service One Holdings Limited (電訊首科控股有限公司) (Stock Code: 8145), a company incorporated in the Cayman Islands with limited liability on 3 August 2012, the shares of which are listed and traded on GEM
"Transfer of Listing"	the proposed transfer of the listing of the Shares from GEM to Main Board
"USD" or "US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

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

Hong Kong, 28 April 2017

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

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, 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.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkexnews.hk/for at least seven days from the date of its publication and on the website of the Company at www.tdhl.cc.

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