



Directel Holdings Limited

直通電訊控股有限公司

DIRECTEL HOLDINGS LIMITED

直 通 電 訊 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8337)

INTERIM REPORT

2025

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This report, for which the directors (the “Director(s)”) of Directel Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this report misleading.

HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 was approximately HK\$23,202,000, representing a decrease of approximately 66.3% as compared with the corresponding period in 2024.
- Loss attributable to equity shareholders of the Company for the six months ended 30 June 2025 was approximately HK\$4,193,000, representing a decrease of approximately 19.9% as compared with the corresponding period in 2024.
- The Board does not recommend the payment of any dividend for the six months ended 30 June 2025.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of Directors (the “Board”) of the Company hereby announces the unaudited consolidated financial statements of the Company and its subsidiaries (together referred to as the “Group”) for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	Note	(Unaudited)	(Unaudited)
Revenue	5, 6	23,202	68,889
Cost of sales		<u>(22,486)</u>	<u>(66,882)</u>
Gross profit		716	2,007
Other income	7(a)	194	246
Other net income/(loss)	7(b)	489	(218)
Administrative and other operating expenses		<u>(5,597)</u>	<u>(7,279)</u>
Loss from operations		(4,198)	(5,244)
Finance costs	8(a)	<u>(13)</u>	<u>(88)</u>
Loss before taxation	8	(4,211)	(5,332)
Income tax credit	9	<u>18</u>	<u>97</u>
Loss for the period attributable to equity shareholders of the Company		(4,193)	(5,235)
Other comprehensive income for the period, net of income tax:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Equity securities at fair value through other comprehensive income – net movement in the fair value reserve (non-recycling)		(248)	(16)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong		<u>267</u>	<u>(91)</u>
Total comprehensive income for the period attributable to equity shareholders of the Company		<u>(4,174)</u>	<u>(5,342)</u>
Loss per share	11		
Basic and diluted (HK cents)		<u>(1.70)</u>	<u>(2.83)</u>

There is no tax effect relating to the above components of other comprehensive income.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Note		
Non-current assets			
Property, plant and equipment	12	1,143	575
Other non-current financial assets	13	811	1,059
Total non-current assets		<u>1,954</u>	<u>1,634</u>
Current assets			
Inventories	14	127	982
Trade receivables	15	8,318	8,900
Other receivables, deposits and prepayments	15	3,712	3,411
Pledged bank deposits	16	236	234
Cash and cash equivalents	16	22,972	26,571
Total current assets		<u>35,365</u>	<u>40,098</u>
Current liabilities			
Payables and accruals and contract liabilities	17	5,288	6,063
Lease liabilities		661	426
Taxation payable		–	2
Total current liabilities		<u>5,949</u>	<u>6,491</u>
Net current assets		<u>29,416</u>	<u>33,607</u>
Total assets less current liabilities		<u>31,370</u>	<u>35,241</u>

		As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
	Note	(Unaudited)	(Audited)
Non-current liabilities			
Lease liabilities		361	58
Deferred tax liabilities		40	57
Defined benefit plan obligations		347	330
		<u> </u>	<u> </u>
Total non-current liabilities		748	445
		<u> </u>	<u> </u>
Net assets		30,622	34,796
		<u> </u>	<u> </u>
Capital and reserves			
Share capital	18	48,975	48,975
Share premium		74,285	74,285
Exchange reserve		(1,981)	(2,248)
Fair value reserve		(1,206)	(958)
Accumulated losses		(89,451)	(85,258)
		<u> </u>	<u> </u>
Total equity		30,622	34,796
		<u> </u>	<u> </u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$'000 (Unaudited)	Share Premium HK\$'000 (Unaudited)	Exchange reserve HK\$'000 (Unaudited)	Fair value reserve (non- recycling) HK\$'000 (Unaudited)	Accumulated Losses HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
Balance at 1 January 2024	36,975	74,517	(1,960)	(1,003)	(77,155)	31,374
Loss for the period	–	–	–	–	(5,235)	(5,235)
Other comprehensive income for the period	–	–	(91)	(16)	–	(107)
Total comprehensive income for the period	–	–	(91)	(16)	(5,235)	(5,342)
Balance at 30 June 2024	<u>36,975</u>	<u>74,517</u>	<u>(2,051)</u>	<u>(1,019)</u>	<u>(82,390)</u>	<u>26,032</u>
Balance at 1 January 2025	48,975	74,285	(2,248)	(958)	(85,258)	34,796
Loss for the period	–	–	–	–	(4,193)	(4,193)
Other comprehensive income for the period	–	–	267	(248)	–	19
Total comprehensive income for the period	–	–	267	(248)	(4,193)	(4,174)
Balance at 30 June 2025	<u>48,975</u>	<u>74,285</u>	<u>(1,981)</u>	<u>(1,206)</u>	<u>(89,451)</u>	<u>30,622</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		For the six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
Note		(Unaudited)	(Unaudited)
	Net cash used in operating activities	(3,720)	(4,509)
	Net cash generated from investing activities	192	225
	Net cash (used)/generated in financing activities	(338)	11,497
	Net (decrease)/increase in cash and cash equivalents	(3,866)	7,213
	Cash and cash equivalents at 1 January	26,571	14,594
	Effect of foreign exchange rate changes	267	(91)
	Cash and cash equivalents at 30 June	22,972	21,716

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. BACKGROUND OF THE COMPANY

Directel Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 28 July 2009 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its principal place of business in Hong Kong is at Office Nos. 1, 2, 14 and 15, 37th Floor, Hong Kong Plaza, No. 188 Connaught Road West, Hong Kong and its registered office is at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company and its subsidiaries are principally engaged in the provision of telecommunications services and distribution business.

2. BASIS OF PREPARATION

The interim financial report of the Group has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 29 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

2. BASIS OF PREPARATION *(continued)*

The interim financial report for the six months ended 30 June 2025 is unaudited, but has been reviewed by the Company's audit committee.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. 2024 annual report is available at the Company's registered office. The Company's auditor has reported on those financial statements. The auditor's report was unqualified.

3. CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS that are first effective for the current accounting period of the Group and the Company. There have been no significant changes to the accounting policies adopted in the Group's financial statements as a result of these developments.

The Group has not adopted any new standard or interpretation that is not yet effective for the current accounting period.

4. SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5. REVENUE

The principal activities of the Group are the telecommunications services and distribution business. Further details regarding the Group's principal activities are disclosed in note 6.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by products or service lines is as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Telecommunications services	3,393	4,481
Distribution business	19,809	64,408
	<u>23,202</u>	<u>68,889</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 6(a) and 6(b) respectively.

Revenue from transactions with external customers, including revenue derived from individual customers who are known to the Group to be subject to common control, amounting to 10% or more of the Group's aggregate revenue for each of the periods are as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A – distribution business	11,813	29,289
Customer B – distribution business	1,583	18,966
Customer C – distribution business	4,896	12,094

6. SEGMENT INFORMATION

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the key management team of the Company. The CODM reviews the Group’s internal reports in order to assess performance, allocate resources and determine the operating segments.

The CODM assesses the performance of the operating segments based on the results attributable to each reportable segment. Interest income and expense are not allocated to segment, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The CODM has determined the operating segments based on these reports. The Group is organised into two business segments:

- (i) Telecommunications services: Provision of telecommunications services
- (ii) Distribution business: Distribution of mobile phones and electronic products and distribution of mobile and data top-up e-vouchers

No operating segments have been aggregated to form the reportable segments.

(a) Segment results

The CODM assesses the performance of the operating segments based on the revenue from external customers and reportable segment profit (i.e. revenue less cost of sales). Segment profit do not include other income, other net income/(loss), finance costs and unallocated corporate expenses.

6. SEGMENT INFORMATION *(continued)*

(a) Segment results *(continued)*

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below.

	For the six months ended 30 June 2025		
	Telecommunications services HK\$'000 (Unaudited)	Distribution business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Disaggregated by timing of revenue recognition			
Point in time	–	19,809	19,809
Over time	3,393	–	3,393
Revenue from external customers	3,393	19,809	23,202
Reportable segment revenue and consolidated revenue	3,393	19,809	23,202
Reportable segment profit	476	240	716
Other income			194
Other net income			489
Finance costs			(13)
Unallocated corporate expenses			(5,597)
Consolidated loss before taxation			(4,211)

6. SEGMENT INFORMATION *(continued)*

(a) Segment results *(continued)*

	For the six months ended 30 June 2024		
	Telecommunications services HK\$'000 (Unaudited)	Distribution business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Disaggregated by timing of revenue recognition			
Point in time	–	64,408	64,408
Over time	4,481	–	4,481
Revenue from external customers	4,481	64,408	68,889
Reportable segment revenue and consolidated revenue	4,481	64,408	68,889
Reportable segment profit	1,203	804	2,007
Other income			246
Other net loss			(218)
Finance costs			(88)
Unallocated corporate expenses			(7,279)
Consolidated loss before taxation			(5,332)

Information of assets and liabilities for reportable segments are not provided to CODM for their review. Therefore, no analysis of the Group's assets and liabilities by reportable segments are presented.

6. SEGMENT INFORMATION *(continued)*

(b) Geographical information

The following table sets out information about the geographical locations of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the location of the operation to which they are allocated.

	Revenue from external customers		Specified non-current assets	
	For the six months ended		As at	At as
	30 June		30 June	31 December
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	10,205	35,748	1,039	539
Mainland China	1,184	3,852	92	–
Singapore	11,813	29,289	12	36
	<u>23,202</u>	<u>68,889</u>	<u>1,143</u>	<u>575</u>

7. OTHER INCOME AND OTHER NET INCOME/(LOSS)

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Other income		
Interest income on financial assets measured at amortised cost	194	225
Sundry income	–	21
	<u>194</u>	<u>246</u>
(b) Other net income/(loss)		
Net foreign exchange gain/(loss)	<u>489</u>	<u>(218)</u>

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Finance costs		
Interest on lease liabilities	13	20
Interest expenses on shareholder's loans (note 21b)	—	68
	<u>13</u>	<u>88</u>
(b) Staff costs		
Salaries, wages and other benefits	2,091	2,108
Contributions to retirement benefit schemes	74	75
Expenses recognized in respect of defined benefit plan obligations	17	23
	<u>2,182</u>	<u>2,206</u>
(c) Other items:		
Depreciation		
– Owned property, plant and equipment	105	602
– Right-of-use assets	190	218
Impairment losses on trade receivables	—	1,224
Expenses relating to short-term leases		
– rental of properties	270	251
Auditors' remuneration		
– audit services	339	544
– tax services	—	5
Cost of inventories	19,649	63,704
Licence charges	364	373
Repair and maintenance	462	457
Data processing and billing management fee	240	240

9. INCOME TAX CREDIT IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Deferred tax	<u>18</u>	<u>97</u>

(i) Hong Kong Profits Tax

The Company's Hong Kong subsidiaries are subject to Hong Kong Profits Tax. In addition, whilst the Company and Elitel Limited, a direct wholly-owned subsidiary of the Company, are incorporated in the Cayman Islands, they are considered as having a presence in Hong Kong for tax purpose since they are primarily managed and controlled in Hong Kong. Accordingly, they are subject to tax on an entity basis on income arising in or derived from Hong Kong. The provision for Hong Kong Profits Tax for the six months ended 30 June 2025 is calculated at 16.5% (six months ended 30 June 2024: 16.5%) of the estimated assessable profits for the period. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 (2024: Nil) as the Group's operations in Hong Kong either had no assessable profit or had tax losses brought forward to offset estimated assessable profits for the period.

(ii) Tax outside Hong Kong

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

10. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025. No interim dividend was paid in respect of the six months ended 30 June 2024.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity shareholders of the Company is based on the following data:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to the ordinary equity shareholders of the Company for the purpose of basic and diluted loss per share	<u>(4,193)</u>	<u>(5,235)</u>

Weighted average number of ordinary shares (Basic and diluted)

	For the six months ended 30 June	
	2025	2024
	Number of shares '000	Number of shares '000
Issued ordinary shares at 1 January and 30 June	<u>244,875</u>	<u>184,875</u>
Weighted average number of ordinary shares at 30 June	<u>244,875</u>	<u>184,875</u>

The calculation of the basic and diluted loss per share was based on the loss for the period attributable to the equity shareholders of the Company of approximately HK\$4,193,000 (2024: approximately HK\$5,235,000), and the weighted average number of 244,875,000 ordinary shares (2024: 184,875,000 ordinary shares) in issue during the period.

Diluted loss per share was the same as basic loss per share for the six months ended 30 June 2025 and 2024 as there were no dilutive potential ordinary shares during these periods.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group has not acquired items of property, plant and equipment (six months ended 30 June 2024: Nil).

During the six months ended 30 June 2025, the Group entered into a number of lease agreements for use of properties and transmission lines, and therefore recognised the additions to right-of-use assets of approximately HK\$863,000 (six months ended 30 June 2024: approximately HK\$232,000).

13. OTHER NON-CURRENT FINANCIAL ASSETS

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Equity securities designated at FVOCI (non-recycling)		
– Listed in Hong Kong	811	1,059

The equity securities are shares in Hospital Corporation of China Limited, an equity securities (stock code: 3869) listed on the Stock Exchange of Hong Kong Limited, and mainly engaged in operation and management of privately owned hospitals in Mainland China. The Group designated these listed equity securities as measured in FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received on these investments for the six months ended 30 June 2025 (2024: Nil).

14. INVENTORIES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
SIM cards	121	104
Recharge and top-up vouchers	4	3
Mobile phone and electronic products	2	875
	127	982

15. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables		
– amounts due from third parties	30,337	30,919
Less: loss allowance	<u>(22,019)</u>	<u>(22,019)</u>
	----- 8,318	----- 8,900
Other receivables, deposits and prepayments		
– other receivables	208	350
– deposits and prepayments	<u>3,504</u>	<u>3,061</u>
	----- 3,712	----- 3,411
	<u><u>12,030</u></u>	<u><u>12,311</u></u>

All of the receivables, deposits and prepayments are expected to be recovered or recognised as expenses within one year.

Ageing analysis

At the end of the reporting period, the ageing analysis of trade debtors, based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 1 month	1,518	4,141
Over 1 month but within 3 months	6,333	4,455
Over 3 months but within 6 months	467	304
Over 6 months but within 12 months	<u>–</u>	<u>–</u>
	----- 8,318	----- 8,900

15. RECEIVABLES, DEPOSITS AND PREPAYMENTS *(continued)*

Generally, the provision of telecommunications services and distribution business to the Group's major customers, including their dealers, are made in an open account with credit terms up to 60 days after the date of invoice. Subject to negotiations, credit terms can be extended to three to six months (2024: three to six months) for certain customers with well-established trading and payment records on a case-by-case basis. Provision of telecommunications services to the Group's prepaid users are billed in advance, whereas postpaid users are made in an open account with credit terms up to 12 days after the date of invoice.

16. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Deposits with banks	6,636	11,858
Cash at banks	16,501	14,843
Cash on hand	71	104
	23,208	26,805
Less: pledged bank deposits <i>(note)</i>	(236)	(234)
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	<u>22,972</u>	<u>26,571</u>

Note: Bank deposits of HK\$236,000 (31 December 2024: HK\$234,000) were pledged for the issuance of a performance bond by a bank.

17. PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade payables		
– amounts due to third parties	3,298	3,527
Other payables and accruals		
– accrued charges and deposits	1,859	2,491
Contracts liabilities		
Telecommunications services		
– advance payments	131	45
	<u>5,288</u>	<u>6,063</u>

Trade and other payables and accruals are expected to be settled within one year or are repayable on demand.

At the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 1 month	596	590
Over 1 month but within 3 months	338	607
Over 3 months but within 12 months	–	–
Over 12 months	2,364	2,330
	<u>3,298</u>	<u>3,527</u>

18. SHARE CAPITAL

	As at 30 June 2025		As at 31 December 2024	
	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Authorised:				
At the beginning of the reporting period/year	<u>500,000,000</u>	<u>100,000</u>	<u>500,000,000</u>	<u>100,000</u>
At the end of the reporting period/year	<u><u>500,000,000</u></u>	<u><u>100,000</u></u>	<u><u>500,000,000</u></u>	<u><u>100,000</u></u>
Issued and fully paid:				
At the beginning of the reporting period/year	<u>244,875,000</u>	<u>48,975</u>	<u>184,875,000</u>	<u>36,975</u>
Shares issued under capitalization of shareholder's loan	<u>–</u>	<u>–</u>	<u>60,000,000</u>	<u>12,000</u>
At the end of the reporting period/year	<u><u>244,875,000</u></u>	<u><u>48,975</u></u>	<u><u>244,875,000</u></u>	<u><u>48,975</u></u>

On 13 December 2024, the issued share capital of the Company was increased by HK\$12,000,000, at nominal value of HK\$0.20 per share, in pursuant to the completion of the share allotment to offset the shareholder's loan of approximately HK\$12,000,000.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. FAIR VALUE MEASUREMENT

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2025 HK\$'000 (Unaudited)	Fair value measurements as at 30 June 2025 categorised into Level 1 Level 2 Level 3 HK\$'000 HK\$'000 HK\$'000 HK\$'000 (Unaudited) (Unaudited) (Unaudited) (Unaudited)		
Recurring fair value measurements				
Assets:				
Non-trading listed securities	811	811	–	–

19. FAIR VALUE MEASUREMENT *(continued)*

(i) Financial assets and liabilities measured at fair value *(continued)*

Fair value hierarchy (continued)

	Fair value at	Fair value measurements as at		
	31 December	31 December 2024 categorised into		
	2024	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Audited)	(Audited)

Recurring fair value measurements

Assets:

Non-trading listed securities	<u>1,059</u>	<u>1,059</u>	<u>-</u>	<u>-</u>
-------------------------------	--------------	--------------	----------	----------

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

20. COMMITMENTS

As at 30 June 2025, the Group did not have any capital commitments (31 December 2024: Nil).

21. MATERIAL RELATED PARTY TRANSACTIONS

(a) Relationship between the Group and related parties

(i) Controlling shareholders of the Group

- Li Kin Shing
- Kwok King Wa

(ii) Subject to common control from controlling shareholders

- China Elite Information Technology Ltd.
- Directel Limited
- Sunward Telecom Limited (incorporated in the BVI)
- Talent Information Engineering Co Limited
- 廣州國聯智慧信息技術有限公司

(b) Transactions

The Group entered into the following material related party transactions:

Related parties	Note	For the six months ended 30 June	
		2025	2024
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
China Elite Information Technology Ltd.			
– Data processing and billing management*	(i)	240	240
廣州國聯智慧信息技術有限公司			
– Development and maintenance of the Company's website*	(i)	90	90
Talent Information Engineering Co., Limited			
– Rental of properties*	(ii)	180	180
Shareholder – Li Kin Shing			
– Interest expenses on shareholder's loans	(iii)	–	68

* Continuing connected transactions pursuant to Chapter 20 of the GEM Listing Rules.

21. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(b) Transactions *(continued)*

Notes:

- (i) Services rendered by related parties related to data processing and billing management services, and development and maintenance of the Company's website.
- (ii) The Group has leased certain properties from a related party under operating leases at an aggregate monthly rental of HK\$30,000 for the period from 1 January 2025 to 31 December 2025.
- (iii) The Group has entered the loan agreement with the shareholder for the principal of HK\$12,000,000 with fixed interest rate of 2% per annum. On 13 December 2024, the share allotment has completed to offset the outstanding principal.

The directors of the Company are of the opinion that the above transactions with related parties were conducted on terms and conditions that are mutually agreed in the ordinary course of the Group's business.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the individuals with highest emoluments, are as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	883	876
Contributions to retirement benefit schemes	29	29
Expenses recognized in respect of defined benefit plan obligations	17	23
	929	928

Total remuneration is included in "staff costs" (note 8(b)).

22. CONTINGENT LIABILITIES

As at 30 June 2025, a performance bond of HK\$200,000 (31 December 2024: HK\$200,000) was given by a bank in favour of the Office of the Communications Authority as security for the due performance and observance of the Group's obligation under Services-Based Operator Licence. The Group has pledged bank deposits for the above performance bond. At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Group in this regard.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business in Hong Kong

The Group is a mobile virtual network operator (“MVNO”) which is principally engaged in the provision of mobile telecommunications services and telecommunications value-added services. The Group does not have its own telecommunications network infrastructure and its business mainly involves the trading of the airtime and mobile data sourced from several mobile network operators (“MNOs”) in and outside Hong Kong and subsequently selling the airtime and mobile data through different channels and in various forms to users and dealers. The Group also provides telesales dealership services and other services.

The Group continued its marketing efforts in promoting its telecommunications services and is actively contacting distributors for the distribution of various prepaid products (including travel prepaid SIM card and local prepaid SIM card) offered by the Group. However, the Group continued to experience pricing pressure from other competitors for prepaid products and similar prepaid roaming products in the mobile telecommunications industry that remains highly competitive. On the other hand, as Hong Kong emerging from COVID-19, coupled with the full boarder reopening between Mainland China and Hong Kong in 2023, tourism industry in Hong Kong has shown remarkable recovery, and global tourism has resumed rapidly, approaching the pre-COVID-19 level and getting back on track in 2024. The mobile telecommunications services of the Group was driven by the post-COVID-19 recovery, and revenue derived from roaming services recorded considerable growth in 2024.

The revenue derived from the provision of telecommunications services decreased by approximately 24.3% to approximately HK\$3,376,000 for the six months ended 30 June 2025 compared to approximately HK\$4,460,000 for the last corresponding period.

The Group has reinforced its cost control while staying alert to and proactively responding to different special situations. The Group is negotiating with the service providers to further reduce the unit cost of airtime and mobile data to reduce the selling price of the prepaid products to enhance competitiveness. The Group is now actively looking for distributors to develop overseas markets to enable overseas users who would like to enjoy mobile data services during their overseas travels at lower charges. The Group believes that various prepaid product offerings will help the Group to broaden its user base as well as the total usage of airtime and mobile data, which in turn will strengthen the market position of the Group and increase our revenue as well as the market share in the competitive mobile telecommunications industry.

The Group has diversified its business in Hong Kong to the distribution of mobile phones and electronic products which became one of the main revenue streams in Hong Kong. For the six months ended 30 June 2025, the revenue generated from such distribution business which represents the sales proceeds of mobile phones and electronic products, net of returns and discounts, decreased by approximately 78.2% to approximately HK\$6,829,000 when compared with approximately HK\$31,288,000 for the last corresponding period. Since the relief of COVID-19 in 2023, offline economy has recovered generally, and online e-commerce started to cool down. All the industries faced challenges caused by slowdown in growth of global economy, interest rate hike by the United States Federal Reserve, and other factors. Suppliers and customers also faced challenges of different degrees, including customs logistics, insufficient work force in warehouse and higher requirements imposed on vendors from The People's Republic of China ("the PRC"). Enterprises entered into bottleneck period of development and faced operation difficulties. Some factories or enterprises are expected to transform, which would affect the distribution business in Hong Kong. The Group will continue to commit more resources and identify different suppliers to increase its offerings of mobile phones and electronic products, and to expand the source of revenue and enhance business performance.

Business in the PRC

The Group engaged in the provision of mobile and data top-up services, and mobile phones and electronic products distribution business in the PRC through its indirect wholly-owned subsidiary, Guangzhou Directel Telecommunications Limited* 廣州直通電訊有限公司 ("GZDT").

GZDT has engaged in the distribution of mobile phones and electronic products. For the six months ended 30 June 2025, the revenue generated from the distribution business which represents the sales proceeds of the mobile phones and electronic products, net of returns and discounts, decreased by approximately 69.5% to approximately HK\$1,167,000 when compared with approximately HK\$3,831,000 for the corresponding period last year. The decrease was mainly attributable to the decrease in purchase of the mobile phones and electronic products by our customers.

GZDT will continue to leverage its relationship established and connections with the telecommunications services/equipment agents/distributors to exploit the mobile phones and electronic products distribution business. In addition to identifying other competent suppliers in different provinces of the PRC to enter into mobile phones and electronic products supply contracts, GZDT can also sell the most popular mobile phones and electronic products with competitive prices to distributors. Meanwhile, GZDT is in active negotiation with other distributors in the PRC and overseas in respect of further potential business collaborations.

* For identification only

Business in Singapore

The Group engaged in the provision of telecommunications services and distribution business in Singapore through its indirect wholly-owned subsidiary, South Data Communication Pte. Ltd. ("South Data"). In respect of the distribution business, South Data has entered into a contract with one of the largest e-commerce platform operators in Singapore (the "E-commerce Platform Operator") as a sale channel in which it will purchase mobile and data top-up e-vouchers from South Data and then resell to ultimate mobile users. The E-commerce Platform Operator has a wide distribution channel of over 1,000 point of sales in Singapore and the ultimate users can easily top up their mobile phones through various popular payment methods such as credit cards and online payment. For the six months ended 30 June 2025, the revenue derived from the distribution of mobile and data top-up business decreased by approximately 59.7% to approximately HK\$11,813,000 when compared with approximately HK\$29,289,000 for the corresponding period last year. Competition in Singapore's mobile telecommunications market continues to intensify. Several telecommunications operators and distributors in the market have launched more attractive top-up promotions to attract consumers, which has weakened the market competitiveness and demand of the South Data's products. With the rapid development of e-commerce and electronic payment methods, both in terms of penetration and technology, traditional top-up methods are gradually being phased out. Some consumers now prefer to top up directly through telecommunications operators' official applications or other online channels, leading to a decline in transaction volume through the distribution channels of the E-commerce Platform Operator partnered with South Data.

Since May 2025, the procurement amount from the E-commerce Platform Operator to South Data has significantly decreased. Additionally, suppliers proposed price increases in June 2025. However, due to intense industry competition and low profit margins, South Data was unable to pass the increased costs on to its customers, which will further compress profit margins.

Given the ongoing intense market competition and the downward trend in gross profit margin, management holds a cautious outlook on future market conditions. As South Data has been unable to find effective methods to improve the declining gross profit margin in the short term, and to avoid further pressure on the business, management has decided to suspend the distribution of mobile and data top-up e-vouchers starting from the third quarter of 2025. South Data is actively seeking to purchase e-vouchers directly from telecommunications operators instead of through intermediate distributors, hoping to improve revenue and gross profit levels by reducing intermediate links.

Outlook

With the remarkable recovery shown in tourism industry in Hong Kong, global tourism resumed rapidly, approaching the pre-COVID-19 level and getting back on track. Driven by the post-COVID-19 market recovery, the Group's roaming products and services were extensively launched in the market again, enabling revenue to record considerable growth in 2024. Data shows that the number of visitors to Hong Kong is steadily increasing year-on year in 2024, with arrivals from Mainland China and non-Mainland China visitor arrivals increasing by 27% and 44% respectively. The multiple-entry Individual Visit Scheme for Shenzhen has been fully resumed by the end of 2024, further unlocking the potential of the Greater Bay Area as a source of visitors. The Group expects that the demand for travel will continue to grow in the coming years. To seize this opportunity and maintain our position in a highly competitive market, we will launch an upgraded roaming plan that integrates real-time AI translation and eSIM technology, and deepen our presence under the concept of 'seamless travel everywhere' to enhance the traveller experience through scenario based services. By keeping abreast of market trends and customer needs, the Group will continue to review and enhance its products and services, and continue to optimise product flexibility to provide more convenient and enjoyable cross-border communications solutions for business and leisure travellers, thereby consolidating our competitive edge.

Given the ongoing uncertainties in global macroeconomic environment, the Hong Kong economy is expected to continue to face challenges in 2025. The pace of recovery was affected by increased uncertainties in global business environment due to various adverse factors such as continuously high interest rates, geopolitical tensions, and Sino US relationship. Despite the challenging market prospect, we will closely monitor market condition, promptly respond to challenges in the market, enhance discussions with business partners while actively creating marketing channels in more regions to develop the Group's business. The Group is cautiously optimistic about its business development in the medium to long term.

The Group is continuously exploring suitable business and investment opportunities in the relevant telecommunications business. The Group continues to negotiate with telecommunications service providers to further reduce the unit cost of airtime and mobile data, and at the same time accelerates the expansion of channels in emerging markets such as Southeast Asia. The Group also analyses user behaviors through AI technology to accurately design roaming packages to create real-life value. Meanwhile, the Group is exploring cooperation with the hotel and airline industries to tap into incremental demand in a challenging market, thereby improving its business and financial performance. In addition, the Group entered into an equipment purchase agreement in August 2025 to replace part of the outdated core network equipment to meet the growing demands of new product functionality and capacity. This will enhance the operational efficiency, reliability, and scalability of the Group's mobile telecommunications network. The upgraded equipment and services will ensure better integration with the existing network and improve overall service quality, aligning with the Group's long-term business development and competitiveness in the telecommunications industry.

To achieve sustainable growth, the Group is accelerating its strategic transformation and continuing to extend its information services value chain with Mobility as a Service (MaaS) at its core. In addition to tightly controlling costs and exploring new sources of revenue, we are integrating resources across business sectors, such as launching the 'Roaming Protection Plan' by combining eSIM technology with the insurance industry, and utilizing AI-driven dynamic pricing models to enhance operational efficiency. In the future, we will deepen the application of 'Smart Travelling' scenarios and provide real-time multi-language support to further expand our service ecosystem. Through technological innovation and cross-industry collaboration, the Group is committed to transforming itself from a traditional telecommunications service provider into a smart travel solutions provider, capturing structural opportunities in a volatile environment.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the revenue of the Group decreased to approximately HK\$23,202,000 compared to approximately HK\$68,889,000 for the corresponding period last year, representing a decrease of approximately 66.3%. Revenue from the provision of telecommunications services and distribution business accounted for approximately HK\$3,393,000 and HK\$19,809,000 respectively, representing approximately 14.6% and 85.4% of the Group's revenue for the six months ended 30 June 2025, respectively. The decrease was mainly attributable to the decrease in revenue generated from the distribution business in the PRC, Hong Kong and Singapore.

The Group's cost of sales decreased by approximately 66.4% to approximately HK\$22,486,000 for the six months ended 30 June 2025 compared to approximately HK\$66,882,000 for the corresponding period last year. The decrease in cost of sales was generally in line with the respective changes regarding the revenue derived from the provision of telecommunications services, the distribution of mobile phones and electronics products business and the distribution of mobile and data top-up business.

The Group's gross profit decreased by approximately 64.3% to approximately HK\$716,000 for the six months ended 30 June 2025 compared to approximately HK\$2,007,000 for the corresponding period last year. The decrease was mainly attributable to the worsen gross profit margin of the telecommunications services in Hong Kong and the decrease in revenue generated from the distribution business in the PRC, Hong Kong and Singapore.

The Group's other income for the six months ended 30 June 2025 decreased by approximately 21.1% to approximately HK\$194,000 when compared with approximately HK\$246,000 for the corresponding period last year. The decrease was mainly attributable to the decrease of interest income and sundry income.

For the six months ended 30 June 2025, the Group recorded other net income of approximately HK\$489,000 while for the six months ended 30 June 2024, the Group incurred other net loss of approximately HK\$218,000. The incurrence of other net income for the six months ended 30 June 2025 was attributable to the foreign exchange gain arising from the movements in the exchange rate between Hong Kong dollars, Renminbi and Singapore dollars.

The Group's administrative and other operating expenses for the six months ended 30 June 2025 decreased by approximately 23.1% to approximately HK\$5,597,000 when compared to approximately HK\$7,279,000 for the corresponding period last year. The decrease was primarily due to decrease in depreciation, and no impairment losses on trade receivables has been made for the six months ended 30 June 2025 when compared with approximately HK\$1,224,000 for the corresponding period last year.

The Group's finance cost for the six months ended 30 June 2025 decreased by approximately 85.2% to approximately HK\$13,000 when compared with approximately HK\$88,000 for the corresponding period last year. The decrease was mainly attributable to the absence of interest payable on shareholder's loans for the six months ended 30 June 2025 when compared with approximately HK\$68,000 for the corresponding period last year, which related to the shareholder's loans borrowed in 2024.

The Group's income tax credit for the six months ended 30 June 2025 decreased by approximately 81.4% to approximately HK\$18,000 when compared with approximately HK\$97,000 for the corresponding period last year. The income tax credit was attributable to the decrease of deferred tax liabilities provided for the property, plant and equipment of the Group.

The Group recorded a loss attributable to equity shareholders of the Company for the six months ended 30 June 2025 of approximately HK\$4,193,000, representing a decrease of approximately 19.9% when compared with approximately HK\$5,235,000 for the corresponding period last year. The decrease was mainly attributable to the decrease in depreciation and no impairment losses on trade receivables has been made for the six months ended 30 June 2025 when compared with approximately HK\$1,224,000 for the corresponding period last year.

CAPITAL STRUCTURE

The Group carried out prudent financial policy, and the cash surplus is deposited with the banks to facilitate extra expenditure or investment. As at 30 June 2025, the Group had no outstanding loan or borrowing, and the gearing ratio (being ratio of total long term borrowings to equity) was therefore inapplicable. As at 30 June 2025, total equity attributable to equity holders of the Company amounted to approximately HK\$30,622,000 (as at 31 December 2024: approximately HK\$34,796,000).

On 13 December 2024, the Company allotted and issued a total number of 60,000,000 capitalisation shares at the issue price of HK\$0.20 per capitalization share under specific mandate to a shareholder at the extraordinary general meeting of the Company held on 3 December 2024.

As at 30 June 2025, the Company had an authorised share capital of HK\$100,000,000 divided into 500,000,000 shares of a par value of HK\$0.2 each ("Share"), of which 244,875,000 Shares were issued.

LIQUIDITY AND FINANCIAL RESOURCES

The Group normally finances its operations with internally generated cash flows and capital contribution from shareholders. As at 30 June 2025, the Group had net current assets of approximately HK\$29,416,000 (31 December 2024: approximately HK\$33,607,000), including cash and cash equivalents of approximately HK\$22,972,000 (31 December 2024: approximately HK\$26,571,000). The current ratio was 5.9 as at 30 June 2025, lower than 6.2 as at 31 December 2024.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("US\$"). As HK\$ is pegged to the US\$, the Group considers the risk of movements in exchange rate between HK\$ and US\$ to be insignificant. In respect of other currencies, the Group has no significant exposure to currency risk as substantially all the Group's transactions are denominated in functional currency. However, the management monitors the related foreign currency risk exposure closely and will consider hedging significant foreign currency risk exposure should the need arise. As at 30 June 2025, the Group did not have any derivatives for hedging against the exchange rate risk.

PLEDGE OF ASSETS

As at 30 June 2025, bank deposits of HK\$236,000 (31 December 2024: HK\$234,000) were pledged for the issuance of a performance bond by a bank to a subsidiary in the Group.

CONTINGENT LIABILITIES

As at the date of this report, a performance bond of HK\$200,000 was given by a bank in favour of the Office of the Communications Authority ("OFCA") as security for the due performance and observance of the Group's obligation under Services-Based Operator Licence. The Group has pledged bank deposits for the above performance bond. The Directors do not consider it probable that a claim will be made against the Group in this regard.

MATERIAL ACQUISITION, DISPOSAL OR SIGNIFICANT INVESTMENT

The Group did not have any material acquisition, disposal of subsidiaries or affiliated companies or significant investment during the period under review.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group did not have any capital commitments (31 December 2024: Nil).

SEGMENT REPORTING

In accordance with IFRS 8, Operating Segments, operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the key management team of the Company. The CODM reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments. The Group has identified two reportable segments which are telecommunications services and distribution business. Details of the segment reporting are set out in note 6 to the unaudited financial report.

STAFF AND REMUNERATION POLICY

As at 30 June 2025, the Group had 18 employees (31 December 2024: 18 employees). Among them, 8 employees worked in Hong Kong, 9 employees worked in the PRC and 1 employee worked in Singapore. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. The Group also offers various staff welfare, including medical insurance, share option scheme, housing fund and social insurance. It believes that employees are the most valuable assets of the Group.

DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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

As at 30 June 2025, so far as it is known to the Directors, the Directors and the chief executive of the Company had the following interests and short positions in the shares, underlying shares or the debentures of the Company or any of its associated corporations within the meaning of part XV of the Securities and Futures Ordinance (the "SFO"), which would have to be notified to the Company and the Stock Exchange pursuant to the provision of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules:

(i) Long position in shares of the Company:

Name of Director	Nature of Interest/ Capacity	Number of Ordinary Shares	Approximate Percentage of Shareholding
Mr. Li Kin Shing	Interest of controlled corporation	104,437,500 (Note)	42.65%
	Beneficial owner	65,062,500	26.57%
Mr. Pang Kwok Chau	Beneficial owner	1,500,000	0.61%
Mr. Wong Kin Wa	Beneficial owner	1,500,000	0.61%

Note: The 104,437,500 shares are owned by New Everich Holdings Limited ("New Everich") which is owned by Mr. Li Kin Shing and Ms. Kwok King Wa as to 54% and 46%, respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Mr. Li Kin Shing is deemed to be interested in the 104,437,500 shares under the SFO.

(ii) Long position in New Everich, an associated corporation of the Company:

Name of Director	Nature of Interest/Capacity	Approximate Percentage of Shareholding
Mr. Li Kin Shing	Beneficial owner	100.00% (<i>Note</i>)

Note: New Everich is owned as to 54% and 46% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Mr. Li Kin Shing is deemed to be interested in the 100% interests in New Everich under the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which would have to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as it is known to the Directors, the persons (other than the Directors or chief executive of the Company) with interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register of the Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Long position in shares of the Company:

Name	Nature of Interest/ Capacity	Number of Ordinary Shares	Approximate Percentage of Shareholding
New Everich	Beneficial owner	104,437,500	42.65%
Ms. Kwok King Wa	Interest of controlled corporation	104,437,500 (Note 1)	42.65%
	Interest of spouse	65,062,500 (Note 2)	26.57%
Golden Brand Holdings Limited	Beneficial owner	16,500,000	6.74%
Mr. Bai Zhifeng	Interest of controlled corporation	16,500,000 (Note 3)	6.74%

Notes:

- (1) The 104,437,500 shares are owned by New Everich which is owned by Mr. Li Kin Shing and Ms. Kwok King Wa as to 54% and 46%, respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Ms. Kwok King Wa is deemed to be interested in the 104,437,500 shares under the SFO.
- (2) Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Ms. Kwok King Wa is deemed to be interested in the 65,062,500 shares under the SFO.
- (3) The 16,500,000 shares are owned by Golden Brand Holdings Limited which is wholly owned by Mr. Bai Zhifeng.

Save as disclosed above, as at 30 June 2025, so far as it is known to the Directors, there was no other person (other than the Directors or chief executive of the Company) with interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register of the Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, during the period under review, there was no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") at the annual general meeting held on 11 May 2016. Details and the principal terms of the Share Option Scheme have been set out in the circular of the Company dated 31 March 2016 under the section headed "APPENDIX II – PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME" and in the latest annual report of the Company.

The Company did not grant or cancel any options under the Share Option Scheme any time during the six months ended 30 June 2025, and as at 30 June 2025, there was no outstanding share option under the Share Option Scheme.

The number of share options available for grant at the beginning and the end of the period under review is 15,562,500 and 15,562,500, respectively.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules applicable during the six months ended 30 June 2025.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by directors in securities of the Company. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard of dealings as set out in the adopted code of conduct regarding securities transactions by directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any share of the Company.

COMPETING INTERESTS

During the six months ended 30 June 2025, save as disclosed below, none of the Directors or controlling shareholders of the Company nor their respective associates is considered to have interests in a business that competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors have been appointed or were appointed as directors to represent the interests of the Company and/or the Group.

Directel Limited, a company incorporated in the Cayman Islands, is held as to 50% and 50% by Mr. Li Kin Shing, a non-executive Director, the chairman of the Company, a controlling shareholder and a substantial shareholder of the Company, and Ms. Kwok King Wa, a controlling shareholder and a substantial shareholder of the Company and the spouse of Mr. Li Kin Shing, respectively. According to the GEM Listing Rules, Directel Limited is an associate of Mr. Li Kin Shing and Ms. Kwok King Wa.

Directel Limited is the licensee of the operation rights of RF-SIM in markets other than the PRC (including Hong Kong and Macau) and it has the right to grant licences of the operation rights of RF-SIM intellectual property rights to others in markets other than the PRC. There is a risk that such services provided by Directel Limited may compete with the services provided by the Group as Directel Limited is expected to grant licences of the operation rights of RF-SIM intellectual property rights in other regions in the future.

Sunward Telecom Limited (“Sunward Telecom”) and its wholly-owned subsidiaries (collectively, the “Sunward Group”) are directly wholly-owned by Mr. Li Kin Shing. According to the GEM Listing Rules, the Sunward Group are the associates of Mr. Li Kin Shing. The Sunward Group, as a whole, is principally engaged in (i) the research and development, production and sales of RF-SIM products; (ii) licensing of the RF-SIM operations rights in markets other than Hong Kong and Macau; and (iii) research and development and technology transfer of CA-SIM application rights to customers.

The Directors confirm that as China-Hongkong Telecom Limited, a wholly-owned subsidiary of the Company, has obtained the exclusive licence of the operation rights of RF-SIM intellectual property rights in Hong Kong and Macau. The Directors further confirm that the services provided by Directel Limited are in territories other than the PRC, Hong Kong and Macau, the services provided by the Sunward Group concentrate on the application of the RF-SIM intellectual property rights in the PRC, and services provided by the Group regarding the operation rights of RF-SIM intellectual property rights are solely in Hong Kong and Macau. Nevertheless, Mr. Li Kin Shing, Ms. Kwok King Wa and Directel Limited (as Covenantors) executed a deed of non-competition undertaking in favour of the Company on 24 May 2010 pursuant to which the Covenantors have undertaken to the Company inter alia, that (i) the Covenantors shall not, directly or indirectly, engage in, invest in, participate in, or attempt to participate in, whether on his/her/its own account or with each other or in conjunction with or on behalf of any person or company, any business which will or may compete with the RF-SIM business of the Group in Hong Kong and Macau; and (ii) in the event the Covenantors or their associates were given any business opportunities that is or may involve in direct or indirect competition with the business of the Group, the Covenantors shall assist the Company in obtaining such business opportunities in the terms being offered to the Covenantors, or more favourable terms being acceptable to the Company.

AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) on 20 May 2010 with written terms of reference in compliance with the GEM Listing Rules. The Terms of Reference of the Audit Committee were revised and adopted by the Board on 31 May 2024. For details, please refer to the Terms of Reference of the Audit Committee published on the Company’s website and the Stock Exchange website on 31 May 2024. The primary duties of the Audit Committee are to review the Company’s annual report and consolidated financial statements, interim report and quarterly reports (if prepared for publication) and to provide advice and comment thereon to the Board. The Audit Committee (on behalf of the Board) oversees management in the design, implementation and monitoring of the financial reporting, risk management and internal control systems and the management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the six months ended 30 June 2025. The Company has conducted review of its risk management and internal control systems periodically and has convened meeting periodically to discuss the financial, operational and risk management control. The Audit Committee is of the view that the risk management and internal control system implemented by the Group during the period under review had been valid and adequate.

The Audit Committee consists of the three independent non-executive Directors, namely, Ms. Lee Man Yee, Maggie, Mr. Chen Xue Dao and Mr. Liu Kejun. Ms. Lee Man Yee, Maggie is the chairman of the Audit Committee. The Group’s unaudited results for the six months ended 30 June 2025 have been reviewed by the Audit Committee. The Audit Committee was of the opinion that such results complied with the applicable accounting standards and that adequate disclosures had been made.

By order of the Board
Directel Holdings Limited
Pang Kwok Chau
Executive Director

Hong Kong, 29 August 2025

As at the date of this report, the executive Director is Mr. Pang Kwok Chau; the non-executive Directors are Mr. Li Kin Shing and Mr. Wong Kin Wa; and the independent non-executive Directors are Ms. Lee Man Yee, Maggie, Mr. Chen Xue Dao and Mr. Liu Kejun.