

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



**Telecom Service One Holdings Limited**  
**電訊首科控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 3997)**

**FINAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2025**

The board of directors (the “**Board**” and “**Directors**”, respectively) of Telecom Service One Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 March 2025*

	<i>NOTES</i>	<b>2025</b> <i>HK\$'000</i>	<b>2024</b> <i>HK\$'000</i>
Revenue	4	<b>44,223</b>	54,387
Cost of sales		<b>(40,691)</b>	(43,136)
Gross profit		<b>3,532</b>	11,251
Other income and gains	6	<b>5,912</b>	3,507
Other operating expenses, net	7	<b>(4,706)</b>	(4,315)
Administrative expenses		<b>(13,180)</b>	(14,477)
Impairment losses on investment properties		<b>(4,892)</b>	(196)
Loss on changes in fair value of financial assets at fair value through profit or loss (“ <b>FVTPL</b> ”)		–	(4,749)
Finance costs	8	<b>(177)</b>	(255)
Loss before tax		<b>(13,511)</b>	(9,234)
Income tax credit	9	<b>106</b>	60
Loss for the year	10	<b>(13,405)</b>	(9,174)
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement of long service payment obligations		<b>(331)</b>	(125)
Total comprehensive expense for the year		<b>(13,736)</b>	(9,299)
Loss per share (HK\$)			
Basic and diluted	12	<b>(0.1044)</b>	(0.0715)

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 March 2025*

	<i>NOTES</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		<b>1,181</b>	2,148
Right-of-use assets		<b>1,479</b>	4,438
Investment properties		<b>39,500</b>	46,400
Deferred tax asset		<b>939</b>	721
Rental deposit	<i>13</i>	<b>–</b>	539
		<b>43,099</b>	54,246
Current assets			
Inventories		<b>1,413</b>	4,405
Financial assets at FVTPL		<b>–</b>	8,984
Trade and other receivables	<i>13</i>	<b>11,386</b>	13,896
Amounts due from related companies		<b>48</b>	71
Pledged bank deposits		<b>209</b>	203
Bank balances and cash		<b>5,702</b>	3,811
		<b>18,758</b>	31,370
Current liabilities			
Trade and other payables	<i>14</i>	<b>4,636</b>	7,179
Lease liabilities		<b>1,600</b>	2,956
Tax payable		<b>82</b>	222
Amount due to a related company		<b>74</b>	82
Bank borrowing		<b>–</b>	2,200
		<b>6,392</b>	12,639
Net current assets		<b>12,366</b>	18,731
Total assets less current liabilities		<b>55,465</b>	72,977
Non-current liabilities			
Lease liabilities		<b>–</b>	1,600
Other payables	<i>14</i>	<b>208</b>	208
Long service payment obligations		<b>826</b>	435
		<b>1,034</b>	2,243
Net assets		<b>54,431</b>	70,734
Capital and reserves			
Share capital	<i>15</i>	<b>12,834</b>	12,834
Reserves		<b>41,597</b>	57,900
Total equity		<b>54,431</b>	70,734

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2025*

## 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 3 August 2012 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 3997). The address of the registered office of the Company is Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. The principal place of business of the Company is at Unit C, 3/F, Sunshine Kowloon Bay Cargo Centre, 59 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong.

The Directors consider the immediate holding company and ultimate holding company are East-Asia Pacific Limited and KW Cheung Family Holdings Limited respectively, which are incorporated in the British Virgin Islands (the “**BVI**”). The Group has been under the control and beneficially owned by KW Cheung Family Trust, Mr. CHEUNG King Shek, Mr. CHEUNG King Shan, Mr. CHEUNG King Chuen Bobby and Mr. CHEUNG King Fung Sunny (the “**Cheung Brothers**”).

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are provision of repair and refurbishment services for mobile phones and other personal electronic products as well as the sales of related accessories and provision of supportive services.

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

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standard (“**HKFRS**”) Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to Hong Kong Accounting Standard (“ <b>HKAS</b> ”) 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

***Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 –Non-current Liabilities with Covenants (the “2022 Amendments”)***

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The application of the amendments has no material impact on the classification of the Group's liabilities.

***Impact on application of Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback***

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine “lease payments” or “revised lease payments” such that the seller-lessee would not recognize a gain or loss that relates to the right of use retained by the seller-lessee.

The application of the amendments had no material impact on the consolidated financial statements of the Group.

***Impact on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements***

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The application of the amendments had no material impact on the consolidated financial statements of the Group as the Group does not provide such arrangement in the current and prior years.

### **New and amendments to HKFRS Accounting Standards issued but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective for annual periods beginning on or after date to be determined.

The Directors anticipate that, except as described below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

#### ***HKFRS 18 – Presentation and Disclosure in Financial Statements***

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

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

### ***HKFRS 19 – Subsidiaries without Public Accountability: Disclosures***

HKFRS 19 allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with HKFRS Accounting Standards.

HKFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply HKFRS 19.

### ***Amendments to HKAS 21 Lack of Exchangeability***

The amendments specify how to assess whether a currency is exchangeable into another currency and, when it is not, how to determine the exchange rate to use and the disclosures to provide.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### ***Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments***

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### ***Annual Improvements to HKFRS Accounting Standards – Volume 11***

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7.

- **HKFRS 7 Financial Instruments: Disclosures:** The amendments remove an obsolete reference to paragraph 27A and update the wordings in paragraph B38 of HKFRS 7 regarding “unobservable inputs” to be consistent with HKFRS 13. The amendments to the accompanying guidance on implementing HKFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7, as well as update the wordings in paragraph IG14 of HKFRS 7 regarding “fair value” consistent with other standards. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

- **HKFRS 9 Financial Instruments:** The amendments address a conflict between HKFRS 9 and HKFRS 15 over the initial measurement of trade receivables, and how a lessee accounts for the derecognition of a lease liability under HKFRS 9. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- **HKFRS 10 Consolidated Financial Statements:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as de facto agents. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- **HKAS 7 Statement of Cash Flows:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

***Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The effective date of Amendments to HKFRS 10 and HKAS 28 has not yet been determined. However, earlier application is permitted. The amendments should be applied prospectively.

The Directors of the Company anticipate that the application of Amendments to HKFRS 10 and HKAS 28 do not have significant impact on the financial position and performance of the Group.

***Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity***

To allow companies to better report the financial effects of nature-dependent electricity contracts, the Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity were published, which clarifying the application of the ‘own-use’ requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### **3. BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.



#### 4. REVENUE

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

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<b>Disaggregated by major products or services lines</b>		
– Repairing service income	44,019	54,195
– Sales of accessories and provision of supportive services	204	192
	<u>44,223</u>	<u>54,387</u>
<b>Disaggregation of revenue by geographical region</b>		
	2025 HK\$'000	2024 HK\$'000
<b>Geographical region of revenue recognition</b>		
Hong Kong	<u>44,223</u>	<u>54,387</u>
At a point in time	<u>44,223</u>	<u>54,387</u>

#### 5. SEGMENT INFORMATION

The Group is engaged in a single segment, the provision of repair and refurbishment services for mobile phones and other personal electronic products as well as the sales of related accessories and provision of supportive services. Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as they collectively make strategic decision in allocating the Group's resources and assessing performance.

##### **Geographical information**

During the years ended 31 March 2025 and 2024, the Group's operations were located in Hong Kong.

During the year ended 31 March 2025, 100% (2024: 100%) of the Group's revenue, based on the location of the operations, was generated in Hong Kong while as at 31 March 2025, 100% (2024: 100%) of the non-current assets, based on the geographical location of the assets, was located in Hong Kong. Hence, no geographical information is presented.

## 6. OTHER INCOME AND GAINS

	2025 HK\$'000	2024 HK\$'000
Government grants ( <i>Note i</i> )	–	177
Management fee income ( <i>Note ii</i> )	2,657	2,205
Rental income (net of direct outgoings: nil)	1,158	663
Dividend income from financial assets at FVTPL	–	332
Gain on disposal of financial assets at FVTPL	1,448	49
Storage income ( <i>Note iii</i> )	332	72
Bank interest income	291	5
Others	26	4
	<u>5,912</u>	<u>3,507</u>

*Notes:*

- (i) During the year ended 31 March 2024, the Group recognised government grants of HK\$177,000 (2025: nil) in respect of COVID-19-related subsidies, out of which HK\$177,000 (2025: nil) were related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There were no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.
- (ii) The amount represents management income received from manufacturers of mobile phones for the provision of management service such as inventory management and software upgrade to one of their operation teams in Hong Kong.
- (iii) The amount represents storage income for damaged mobile phones in Hong Kong.

## 7. OTHER OPERATING EXPENSES, NET

	2025 HK\$'000	2024 HK\$'000
Miscellaneous income charges	1,245	1,509
Less: Other operating expenses of service centres	<u>(5,951)</u>	<u>(5,824)</u>
Other operating expenses, net	<u>(4,706)</u>	<u>(4,315)</u>

## 8. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on:		
– Bank borrowing	23	120
– Lease liabilities	154	135
	<u>177</u>	<u>135</u>
	<u>177</u>	<u>255</u>

## 9. INCOME TAX CREDIT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax		
– current year	112	38
– Under-provision in prior years	–	184
	<u>112</u>	<u>222</u>
Deferred tax	<u>(218)</u>	<u>(282)</u>
	<u>(106)</u>	<u>(60)</u>

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

## 10. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging (crediting):		
Directors' and chief executive's emoluments		
– salaries, allowances and other benefits	2,408	2,408
– employer's contributions to retirement benefits schemes	18	44
	<u>2,426</u>	<u>2,452</u>
Other staff costs		
– salaries, allowances and other benefits	28,530	30,027
– employer's contributions to retirement benefits schemes	1,322	1,390
– long service payment obligations	143	67
	<u>29,995</u>	<u>31,484</u>
Total staff costs	<u>32,421</u>	<u>33,936</u>
Auditor's remuneration	530	530
Depreciation of property, plant and equipment	1,025	1,878
Depreciation of right-of-use assets	2,959	2,823
Depreciation of investment properties	2,008	2,004
Reversal of allowance for inventories (included in cost of sales)	(11)	(8)
Written off of inventories (included in cost of sales)	122	–
Allowance for inventories (included in cost of sales)	241	34
Amount of inventories recognised as an expense	<u>12,470</u>	<u>13,474</u>

## 11. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividends recognised as distribution during the year:		
2024/25 second quarter interim dividend of HK\$0.02 per share	<u>2,567</u>	<u>–</u>

Subsequent to the end of the reporting period, the Board has resolved to declare the fourth quarter interim dividend of HK\$0.02 per share in respect of the year ended 31 March 2025 (2024: nil).

## 12. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	<u>(13,405)</u>	<u>(9,174)</u>
<b>Number of shares</b>		
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>128,342,000</u>	<u>128,342,000</u>

Diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares outstanding during both years.

## 13. RENTAL DEPOSIT AND TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	7,502	10,550
Other receivables	127	98
Rental and other deposits	3,607	3,644
Prepayments	<u>150</u>	<u>143</u>
	11,386	14,435
Less: Rental deposit classified as non-current assets	<u>–</u>	<u>(539)</u>
Current portion included in trade and other receivables	<u>11,386</u>	<u>13,896</u>

The Group does not hold any collateral over these balances.

As at 31 March 2025, the gross amount of trade receivables arising from contracts with customers amounted to HK\$7,502,000 (2024: HK\$10,550,000).

The Group grants an average credit period of 30 days to 60 days to its trade customers.

The following was an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Within 30 days	<b>3,749</b>	6,746
31 to 60 days	<b>3,713</b>	2,446
61 to 90 days	–	1,284
91 to 120 days	<b>40</b>	74
	<u><b>7,502</b></u>	<u>10,550</u>

The Group performs ongoing credit evaluations of its customers and credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The ECL on trade receivables are assessed by using a provision matrix based on the credit risk characteristic and the ageing of trade receivables. The Group considers the historical loss rates in the past years and adjusts for forward looking factors in calculating the ECL rates.

The Directors of the Company consider the ECL of trade receivables is insignificant, therefore no loss allowance on trade receivables was recognised as at 31 March 2025 and 2024.

The Group entered in a tenancy agreement with related company, of which Directors of the Company have beneficial interests in related company, for leasing of property as service centre. As at 31 March 2025, the rental deposit paid to a related company of approximately HK\$418,000 (2024: HK\$418,000) have been recognised as current rental deposit.

#### 14. TRADE AND OTHER PAYABLES

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Trade payables	<b>2,328</b>	4,542
Accrued expenses and other payables	<b>2,516</b>	2,845
	<u><b>4,844</b></u>	<u>7,387</u>
Total	<b>4,844</b>	7,387
Less: Other payables classified as non-current liabilities	<b>(208)</b>	(208)
	<u><b>4,636</b></u>	<u>7,179</u>

The average credit period on purchases of goods ranged from 30 days to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within credit timeframe.

The following was the aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<b>2,305</b>	4,445
31 to 60 days	<b>9</b>	78
61 to 90 days	–	–
Over 90 days	<b>14</b>	19
	<u><b>2,328</b></u>	<u>4,542</u>

## 15. SHARE CAPITAL

	<b>Number of shares</b>	<b>Share capital</b> <i>HK\$'000</i>
<b>Ordinary shares of HK\$0.1 each</b>		
<b>Authorised:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u><b>1,000,000,000</b></u>	<u><b>100,000</b></u>
<b>Issued and fully paid:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u><b>128,342,000</b></u>	<u><b>12,834</b></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY OVERVIEW**

The global smartphone market displayed an overall positive growth in 2024. This performance was driven by the launch of devices across various price segments and particularly strong demand for low to mid-range models in China and other emerging markets. Technological advancements, including the growing adoption of AI features, are expected to continue fueling innovation and product refresh cycles.

The market for mobile phone and personal electronic device repair and refurbishment in Hong Kong remains highly competitive. Nevertheless, the Group continues to leverage its deep industry experience, strong customer relationships, and technically proficient team to maintain its market position and consistently deliver high-quality, reliable services to clients.

### **BUSINESS OVERVIEW**

The Group is a well-established repair service provider in Hong Kong and is principally engaged in providing repair and refurbishment services for mobile phones and other consumer electronic devices as well as sales of related accessories for corporate customers, telecommunications services providers and global services companies.

For the last fiscal year, macroeconomic conditions remained volatile due to a series of global developments. Both Hong Kong and global economies faced uncertainties, with regional markets experiencing challenges such as intensified US tariff policies, ongoing geopolitical tensions, inflationary pressures, and shifts in monetary policies. The mobile phone and consumer electronic device repair service market became increasingly competitive, while the retail sector was affected by cautious consumer behavior amid economic and trade uncertainties. For the year ended 31 March 2025, the Group recorded revenue of approximately HK\$44,223,000 (2024: HK\$54,387,000), representing a decrease of approximately 18.7% compared to the year ended 31 March 2024 which is primarily attributed to the decrease in repairing service income due to the intense competition in the mobile phone and consumer electronic device repair service market. The Group's gross profit for the year ended 31 March 2025 was approximately HK\$3,532,000 (2024: HK\$11,251,000). Due to the thinner gross margin and the impairment losses on the investment properties, the Group recorded a loss of approximately HK\$13,405,000 for the year (2024: HK\$9,174,000).



## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue comprises repairing service income and income from sales of accessories and provision of supportive services. Repairing service income for the year ended 31 March 2025 at approximately HK\$44,019,000 (2024: HK\$54,195,000), representing a year-on-year decrease of approximately 18.8%. Revenue from sales of accessories and provision of supportive services for the year ended 31 March 2025 slightly increased approximately 6.3% to approximately HK\$204,000 as compared with approximately HK\$192,000 in the previous year.

### **Cost of Sales**

The Group's cost of sales comprises mainly direct labour cost and parts cost. For the year ended 31 March 2025, cost of sales decreased by approximately 5.7% over the previous year to approximately HK\$40,691,000 from approximately HK\$43,136,000. The decrease in cost of sales was attributable to the decrease in both labour and parts cost.

The Group's cost of inventories sold was approximately HK\$12,470,000 (2024: HK\$13,474,000), representing a decrease of approximately 7.5% over the previous year.

Direct labour cost for the year ended 31 March 2025 was approximately HK\$28,221,000 (2024: HK\$29,662,000), representing a decrease of approximately 4.9%. The decrease was mainly due to the decrease in manpower.

### **Other Income and Gains**

Other income and gains for the year was approximately HK\$5,912,000 (2024: HK\$3,507,000). Other income mainly comprised of management fee income, rental income, storage income, bank interest income together with gain on disposal of financial assets. Details of the other income and gains are set out in Note 6 to the consolidated financial statements.

### **Net Operating Expenses and Administrative Expenses**

Other operating expenses, net comprises miscellaneous income and other operating expenses. Other operating expenses, net for the year ended 31 March 2025 were approximately HK\$4,706,000 (2024: HK\$4,315,000), representing an increase of approximately 9.1% over the previous year. The increase was mainly caused by the decrease in miscellaneous income from a corporate customer for the provision of labor support services. Details of the other operating expenses, net are set out in Note 7 to the consolidated financial statements.

Administrative expenses for the year ended 31 March 2025 was approximately HK\$13,180,000 (2024: HK\$14,477,000), representing a decrease of approximately 9.0%. Administrative expenses comprises mainly depreciation, salaries, office rental and other office expenses.

## Income Tax

Income tax credit for the year ended 31 March 2025 was approximately HK\$106,000 (2024: HK\$60,000).

## Loss for the Year

Loss for the year ended 31 March 2025 was approximately HK\$13,405,000 (2024: HK\$9,174,000). The loss increase was mainly attributable to the combined effect of the following factors, (i) decrease in gross profit to HK\$3,532,000 (2024: HK\$11,251,000); (ii) an one off gain on disposal of financial assets of approximately HK\$1,448,000 (2024: HK\$49,000); (iii) increase in impairment losses on investment properties of approximately HK\$4,892,000 (2024: HK\$196,000); since all the financial assets were disposed of during the year, there is no loss on changes in fair value of financial assets at FVTPL for the year ended 31 March 2025 (2024: HK\$4,749,000).

## INVESTMENTS IN FINANCIAL ASSETS

During the year ended 31 March 2025, all the financial assets were disposed of (2024: the financial assets at FVTPL amounted to approximately HK\$8,984,000).

The following table sets out the financial assets disposed by the Group during the year ended 31 March 2025:

<b>Stock name:</b>	<b>HKEx</b> (note 1)
Number of securities held:	39,440
Investment cost (HK\$'000):	15,785
Fair value as at 31 March 2024 (HK\$'000):	8,984
Gain on disposal during the year ended 31 March 2025 (HK\$'000):	1,448

Note 1:

<b>Stock short name</b>	<b>Stock code</b>	<b>Company name</b>
HKEx	00388HK	Hong Kong Exchange and Clearing Limited

## The Group's Investment Strategy for These Investments

The Company's investment objective is to generate stable additional interest or dividend income. Our strategy of these investment is to make investments in the prospects of primarily reputable sizeable issuers on recognisable stock exchange for creating values for shareholders of the Company ("Shareholders"), with the risks involved balanced and moderated by the diversity of the portfolio and the corporate governance and disclosures of such issuers.

The Group takes into account the following criteria for investment decision: (i) potential return on investment in terms of capital appreciation and dividend payment; (ii) risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2025, the Group had current assets of approximately HK\$18,758,000 (2024: HK\$31,370,000) and current liabilities of approximately HK\$6,392,000 (2024: HK\$12,639,000).

At present, the Group generally finances its operations with internally generated cash flows. Net cash used in operating activities for the year was approximately HK\$868,000. Net cash generated from investing activities was approximately HK\$10,659,000.

The Group maintained a healthy liquidity position as at 31 March 2025. Apart from providing working capital to support its business development, the Group also has available banking facilities to meet potential needs for business expansion and development. As at 31 March 2025, the Group has unutilised banking facilities of approximately HK\$10,200,000 available for further drawdown should it have any further capital needs. The Group had cash and cash equivalents of approximately HK\$5,702,000 as at 31 March 2025 (2024: HK\$3,811,000).

## **CONTINGENT LIABILITIES**

As at 31 March 2025, the Group has no material contingent liabilities (2024: nil).

## **FOREIGN CURRENCY RISK**

The Group's business are in Hong Kong and are denominated in Hong Kong dollars and United States dollars. The Group currently does not has a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **CAPITAL COMMITMENTS**

As at 31 March 2025, the Group did not has any significant capital commitments (2024: nil).

## **CAPITAL STRUCTURE**

There was no change in the capital structure during the year ended 31 March 2025.

The capital structure of the Group consists of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves. The management reviews the capital structure regularly. As part of the review, they consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the redemption of existing debt.

## **MATERIAL ACQUISITIONS OR DISPOSALS AND SIGNIFICANT INVESTMENTS**

The Group did not make any material acquisition or disposal of subsidiaries or associated companies during the year ended 31 March 2025 (2024: nil).

Save as disclosed in the paragraph headed “Investment in Financial Assets” above and the investment properties held, the Group did not has any significant investment held as at 31 March 2025.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2025, the Group employed 93 (2024: 109) full-time employees including management, administration, operation and technical staff. The employees’ remuneration, promotion and salary increments are assessed based on both individual’s and the Group’s performance, professional and working experience and by reference to prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

## **OUTLOOK**

The Group will keep reinforcing its core business foundation by continuously enhancing service quality and integrating internal resources to improve operational efficiency. At the same time, the Group will proactively explore new business opportunities to refine its business model and diversify its operations, with the objective of broadening revenue streams and maximizing long-term value for Shareholders.

Looking ahead, the Group remains cautiously optimistic about the overall business climate and economic outlook. The Group will continue to strengthen its core operations, leverage its existing resources and network, enhance service delivery, streamline management processes, and pursue strategic growth initiatives to deliver sustainable and long-term returns to Shareholders.

## **CORPORATE GOVERNANCE PRACTICES**

The Company had adopted and complied the principles and the code provisions of the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), to ensure that business activities and decision-making processes are regulated in a proper and prudent manner throughout the financial year ended 31 March 2025 (“**Year**”), except the deviation as disclosed below.

According to the Code Provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the Year, the chief executive officer and chief financial officer of the Group, based on business needs and conditions, have provided and will continue to provide to all members of the Board with updates on any material changes to the performance, position and prospects of the Company from time to time, which is considered with sufficient details to provide the general updates of the Company to the Board and allow them to give a balanced and understandable assessment of the same to serve the purpose required by the Code Provision D.1.2 of CG Code and/or the respective Listing Rules.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions. In response to the specific enquires made by the Company on all Directors, they have confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as otherwise disclosed, no transaction, arrangement or contract of significance to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the Year.

## **FOURTH QUARTER INTERIM DIVIDEND**

The Board resolved to declare a fourth quarter (“**Q4**”) interim dividend of HK\$0.02 per Share (2024 Q4: Nil) in cash, amounting to approximately HK\$2.57 million for the Year, which is expected to be payable on 31 July 2025 to Shareholders whose names appear on the Register of members of the Company on 22 July 2025.

In order to determine Shareholders who qualify for the proposed the Q4 interim dividend, the register of members of the Company will be closed from 21 July 2025 to 22 July 2025, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on 18 July 2025. Shareholders whose names are recorded in the register of members of the Company on 22 July 2025 are entitled to receive the Q4 interim dividend in cash for the Year.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company (the “**AGM**”) will be held on Thursday, 25 September 2025. The notice of the AGM will be despatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS FOR AGM**

In order to determine the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 22 September 2025 to 25 September 2025, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on 19 September 2025. Shareholders whose names are recorded in the register of members of the Company on 25 September 2025 are entitled to attend and vote at the AGM.

## **AUDIT COMMITTEE'S REVIEW**

The Company has established an audit committee of the Board (the “**Audit Committee**”) in accordance with the Listing Rules to fulfill the functions of reviewing and providing supervision over the Company's financial reporting process, internal control and risk management. The Audit Committee recently comprises three independent non-executive Directors (“**INEDs**”), and one of the INEDs acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited consolidated final results as well as the internal control and risk management of the Group for the Year, which have been audited by the Group's auditor, Messrs. SHINEWING (HK) CPA Limited (“**SHINEWING**”).

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of this preliminary announcement of the Group's results for the Year have been agreed by the Group's independent auditor, SHINEWING, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

## **PUBLICATION OF 2024/2025 FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the respective websites of the Company ([www.tso.cc](http://www.tso.cc)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2024/2025 annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange above in due course in the manner as required by the Listing Rules.

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

Hong Kong, 27 June 2025

*As at the date of this announcement, the chairman and non-executive director of the Company is Mr. CHEUNG King Shek; the chief executive officer and executive director of the Company is Mr. CHEUNG King Fung Sunny; the non-executive directors of the Company are Mr. CHEUNG King Shan and Mr. CHEUNG King Chuen Bobby; and the independent non-executive directors of the Company are Mr. FONG Ping, Mr. TSO Ka Yi and Ms. WONG Wai Yee Daisy.*

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