



Telecom Service One Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8145

First Quarterly Report
2013/14





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

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

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

THE FINANCIAL STATEMENTS

FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 June 2013 (the “Period”), together with the comparative unaudited figures for the corresponding period in 2012 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2013

	Notes	Three months ended 30 June	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Revenue	3	20,410	18,827
Cost of sales		(9,706)	(10,433)
Gross profit		10,704	8,394
Other income	4	463	215
Other operating expenses, net	5	(3,038)	(2,145)
Administrative expenses		(4,940)	(5,133)
Finance costs	6	(40)	(28)
Profit before tax		3,149	1,303
Income tax expense	7	(758)	(314)
Profit for the period		2,391	989
Exchange differences arising on translation of foreign operation and total other comprehensive expense for the period		(75)	(33)
Total comprehensive income for the period		2,316	956
Earnings per share (HK\$)			
Basic and diluted	9	0.02	0.02

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2013

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note 1)	Translation reserve HK\$'000	Statutory reserve HK\$'000 (Note 2)	Retained Profits HK\$'000	Total HK\$'000
1 April 2013 (Audited)	60	10,970	(29)	137	133	23,145	34,416
Profit for the Period	—	—	—	—	—	2,391	2,391
Exchange differences arising on translation of foreign operation	—	—	—	(75)	—	—	(75)
Total comprehensive income for the period	—	—	—	(75)	—	2,391	2,316
Capitalisation issue (Note 3) Issuance of ordinary shares in connection with the listing (Note 4)	8,940	(8,940)	—	—	—	—	—
Share issue expenses	3,000	27,000	—	—	—	—	30,000
	—	(5,123)	—	—	—	—	(5,123)
At 30 June 2013 (Unaudited)	12,000	23,907	(29)	62	133	25,536	61,609
1 April 2012 (Audited)	1	—	—	155	133	21,636	21,925
Profit for the period	—	—	—	—	—	989	989
Exchange differences arising on translation of foreign operation	—	—	—	(33)	—	—	(33)
Total comprehensive income for the period	—	—	—	(33)	—	989	956
At 30 June 2012 (Unaudited)	1	—	—	122	133	22,625	22,881

Notes:

- (1) Other reserve represents the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to a group reorganisation over the consideration paid for acquiring these subsidiaries.
- (2) As stipulated by regulations in Taiwan, Telecom Service One Taiwan Limited (“TSO TW”), a subsidiary of the Company, is required to appropriate 10% of its after tax profit (after offsetting prior year losses) to statutory reserve before declaring any dividends to shareholders until the balance of the reserve reaches the respective registered capital. Subject to certain restrictions as set out in the relevant Taiwan regulations, the statutory reserve may be used to offset against accumulated losses of the respective Taiwan company. The amount of transfer is subject to the approval of the board of directors of the respective Taiwan company.
- (3) Pursuant to the written resolutions passed by the shareholders of the Company on 2 May 2013, the Directors were authorised to capitalise a sum of HK\$8,940,000 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 89,400,000 shares for allotment and issue to the then shareholders of the Company as at 2 May 2013 in proportion to their then respective shareholdings in the Company.
- (4) In connection with the Company’s placing and listing, the Company issued 30,000,000 ordinary shares of HK\$0.1 each at a price of HK\$1.0 each for a total consideration (before expenses) of approximately of HK\$30,000,000. Dealing of the Company’s shares on the GEM of the Stock Exchange commenced on 30 May 2013.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2013

1. GENERAL INFORMATION

The Company was incorporated in Cayman Islands as an exempted company with limited liability under Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business is Units 1805–1807, 18th Floor, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. The Company has been registered as a non-Hong Kong company under part XI of the Hong Kong Companies Ordinance and its shares have been listed on the GEM of the Stock Exchange since 30 May 2013 (the “Listing”).

The principal activity of the Company is investment holding while the Group is principally engaged in providing repair and refurbishment services for mobile phones and other personal electronic products as well as sale of related accessories therefor.

The functional currency of the Company is Hong Kong dollars (“HK\$”) while that of the subsidiary established in Taiwan is New Taiwan dollars. For the purpose of presenting the unaudited consolidated financial statements, the Group adopted HK\$ as its presentation currency which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

Pursuant to a reorganisation (the “Reorganisation”) of the Group completed on 29 October 2012 to rationalise the Group’s structure in preparation for the listing of the shares on GEM of the Stock Exchange, the Company became the holding company of the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 23 May 2013. The Group have been under the control and beneficially owned by 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”) throughout the reporting period or since their respective dates of incorporation or establishment. Accordingly, the unaudited consolidated financial statements of the Group have been prepared on the basis as if the Company had always been the holding company of the companies comprising the Group throughout the reporting period.

The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The unaudited consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited consolidated financial statements also include the applicable disclosure requirements of the GEM Listing Rules.

The unaudited consolidated financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgments in the process of applying the Group’s accounting policies.

The accounting policies adopted in preparing the unaudited consolidated financial statements for the three months ended 30 June 2013 were consistent with those applied for the preparation of the financial statements of the Group for the year ended 31 March 2013.

These unaudited consolidated financial statements are presented in HK\$ and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

06

3. *REVENUE*

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

	Three months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Repairing service income	17,699	18,626
Sales of accessories	2,711	201
	20,410	18,827

4. *OTHER INCOME*

	Three months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Management fee income (<i>Note 1</i>)	131	46
Consignment goods handling income (<i>Note 2</i>)	130	79
Bank interest income	2	1
Exchange gain, net	19	—
Others	181	89
	463	215

Notes:

- (1) Represents management fee income from manufacturers of mobile phones for the provision of management service such as inventory management.
- (2) Represents fee income received for handling consignment goods for certain manufacturers of mobile phones at the Group's service centres.

5. *OTHER OPERATING EXPENSES, NET*

	Three months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Reimbursement of expenses for service centre	237	942
Service centre management income	1,038	671
Logistic service income	65	68
Miscellaneous income charges	11	22
	1,351	1,703
Other operating expenses of service centres	(4,389)	(3,848)
Other operating expenses, net	(3,038)	(2,145)

6. *FINANCE COSTS*

	Three months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Interest on:		
Bank borrowings		
— wholly repayable within five years	40	—
Finance lease	—	28
	40	28



08

7. *INCOME TAX EXPENSE*

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

Hong Kong Profits Tax is calculated at 16.5% (for the three months ended 30 June 2012: 16.5%) of the estimated assessable profits for the Period.

The applicable income tax rate in Taiwan is 17% of the estimated assessable profits for the Period. No provision for Taiwan profits tax has been made as TSO TW does not have any assessable profit for the Period. No provision for Taiwan Profits Tax had been made as TSO TW has unused tax losses available to offset against assessable profits for the Period.

8. *INTERIM DIVIDEND*

The Board does not recommend the payment of interim dividend for the three months ended 30 June 2013 (2012/13: Nil).

9. *EARNINGS PER SHARE*

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the three months ended 30 June 2013 of approximately HK\$0.02 (for the three months ended 30 June 2012: HK\$0.02), and of the weighted average number of 100,333,333 ordinary shares of the Company were in issue during the Period (three months ended 30 June 2012: 45,000,000 shares) after taking into account the capitalisation issue pursuant to the Reorganisation.

The dilutive earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during both reporting periods.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Our Group is a well-established repair service provider in Hong Kong, with an operating history since 1999. The Group continued to be principally engaged in providing repair and refurbishment services for mobile phones and other personal electronic products as well as sale of related accessories therefor. We have been appointed by corporate customers comprising manufacturers of mobile phones and personal electronic products, telecommunication service providers and global services companies as their service provider to provide repair and refurbishment services for their products and to their customers. The Group's repair and refurbishment services primarily cover mobile phones, pagers, two-way mobile data communication devices, personal computers, tablet computers, portable media players, video game consoles and handheld game consoles. Our business objective is to boost the growth by enhancing the scope of the Group's repair and refurbishment services, strengthening the product knowledge and technical capability and expanding the scale of accessories business.

FINANCIAL REVIEW

Revenue

The Group's revenue for the three months ended 30 June 2013 was approximately HK\$20.4 million (three months ended 30 June 2012: HK\$18.8 million), representing an increase of 8.4% over the corresponding period of the previous year. The increase in the Group's revenue was mainly due to higher revenue generated from the accessories business.

Cost of Sales

The Group's cost of sales comprises mainly direct labour cost and parts cost. During the Period, cost of sales was approximately HK\$9.7 million (three months ended 30 June 2012: HK\$10.4 million), representing a decrease of 7.0%. The decrease in cost of sales was mainly attributable to the decrease in direct labour cost. The Group's direct labour cost was approximately HK\$6.4 million (three months ended 30 June 2012: HK\$6.9 million), representing a decrease of 7.2% from that of the corresponding period of the previous year.

Gross Profit and Gross Profit Margin

The gross profit margin for the three months ended 30 June 2013 was approximately 52.4% (three months ended 30 June 2012: 44.6%). The increase was mainly due to the decrease in cost of sales.



10

Other Income

Other income for the three months ended 30 June 2013 was approximately HK\$0.5 million (three months ended 30 June 2012: HK\$0.2 million), representing an increase of 115.3%. The increase was mainly attributable to the increase in management fee and consignment goods handling income received from manufacturers of mobile phones.

Other Operating Expenses, Net and Administrative Expenses

The Group's total other operating expenses, net and administrative expenses for the three months ended 30 June 2013 were approximately HK\$8.0 million (three months ended 30 June 2012: HK\$7.3 million), representing an increase of 9.6% over the corresponding period of the previous year. The increase was mainly due to the increase in rentals as the Group opened a new service centre in Kwai Fong and expanded the size of another service centre in Mongkok.

Profit before Tax

The Group had recorded a profit before tax of approximately HK\$3.1 million for the three months ended 30 June 2013 (three months ended 30 June 2012: HK\$1.3 million), representing an increase of 141.8% from the corresponding period of the previous year.

OUTLOOK

The Company was listed on GEM of the Stock Exchange on 30 May 2013 which enhanced the Group's reputation, strengthened the corporate governance and compliance management, as well as established a good foundation for our further expansion.

Looking forward, the Group will continue to strengthen its leading position in the industry by enhancing the scope of the Group's repair and refurbishment services, strengthening the product knowledge and technical capability and expanding the accessories business. In this regard, the Company has met with its existing corporate customers and presented to them the relevant existing competitive advantages of the Group so as to explore any business opportunities (such as providing the repair and refurbishment services for other personal electronic products, or providing a full range of repair and refurbishment works or managing customer service centres for their behalf in or outside Hong Kong). We will prepare feasibility study and cost planning if such potential business opportunity arises, and implement the plan in an effective and efficient manner when it is beneficial to the Company and its shareholders as a whole.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the three months ended 30 June 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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

As at 30 June 2013, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) The Company

Long Position:

Name of Directors	Capacity	Number of issued ordinary shares held	Percentage of
			the issued share capital of the Company
Mr. Cheung King Shek	Beneficial owner	6,000,000	5%
	Beneficiary of a trust (Note 1)	66,000,000	55%
Mr. Cheung King Shan	Beneficial owner	6,000,000	5%
	Beneficiary of a trust (Note 1)	66,000,000	55%
Mr. Cheung King Chuen Bobby	Beneficial owner	6,000,000	5%
	Beneficiary of a trust (Note 1)	66,000,000	55%
Mr. Cheung King Fung Sunny	Beneficial owner	6,000,000	5%
	Beneficiary of a trust (Note 1)	66,000,000	55%

(ii) Associated corporations

Amazing Gain Limited (“Amazing Gain”) is one of the controlling shareholders of the Company and the holding company of the Company. The companies listed in the table below (apart from Amazing Gain) are wholly owned subsidiaries of Amazing Gain. Hence, Amazing Gain and the rest of the companies listed in the table below are associated corporations of the Company under the SFO. Each of the Cheung Brothers is deemed to have 100% interest in the said associated corporations under the SFO.

Long Position:

Name of associated corporations	Nature of interest	Number of shares/Amount of share capital	Approximate percentage of interests
Amazing Gain Limited	Beneficiary of a trust (Note 1)	100	100%
East-Asia Pacific Ltd.	Beneficiary of a trust (Note 1)	6	100%
Telecom Service Ltd.	Beneficiary of a trust (Note 1)	2,000,000	100%
H.K. Magnetric Co. Ltd.	Beneficiary of a trust (Note 1)	50,000	100%
Oceanic Rich Ltd.	Beneficiary of a trust (Note 1)	10,000	100%
Glossy Investment Limited	Beneficiary of a trust (Note 1)	10,000	100%
Glossy Enterprises Ltd.	Beneficiary of a trust (Note 1)	10,000	100%
Yiu Tai Industrial Ltd.	Beneficiary of a trust (Note 1)	1,000	100%
Txtcom Ltd.	Beneficiary of a trust (Note 1)	100	100%
Telecom Digital Holdings Ltd.	Beneficiary of a trust (Note 1)	24	100%
Telecom Digital Ltd. (incorporated in Macau)	Beneficiary of a trust (Note 1)	MOP100,000	100%
Telecom Services One (Macau) Ltd.	Beneficiary of a trust (Note 1)	MOP100,000	100%
Telecom Service Network Ltd.	Beneficiary of a trust (Note 1)	1,000	100%
Hellomoto Ltd.	Beneficiary of a trust (Note 1)	1,000	100%
Maria Trading Inc.	Beneficiary of a trust (Note 1)	1	100%
Telecom Digital Ltd.	Beneficiary of a trust (Note 1)	2	100%
Silicon Creation Ltd.	Beneficiary of a trust (Note 1)	100	100%
Kung Wing Enterprises Ltd.	Beneficiary of a trust (Note 1)	1,000,000	100%
東莞恭榮房地產管理服務有限公司	Beneficiary of a trust (Note 1)	US\$1,500,000	100%

Note 1:

The 66,000,000 shares of the Company are held by East-Asia Pacific Limited (“East-Asia”), representing 55% of the issued share capital of the Company. East-Asia is wholly-owned by Amazing Gain. The sole shareholder of Amazing Gain is Asia Square Holdings Ltd., which holds the shares in Amazing Gain as nominee for J. Safra Sarasin Trust Company (Singapore) Limited, the trustee of the Cheung Family Trust. The Cheung Family Trust is a discretionary trust, the discretionary objects of which include the Cheung Brothers. Each of the Cheung Brothers is deemed to be interested in the shares in the Company and the associated corporations held by the Cheung Family Trust under the SFO.

Save as disclosed above, as at 30 June 2013, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standards of dealing by Directors as referred to Rule 5.48 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of attracting and retaining the best quality personnel for the development of the Company’s businesses; providing additional incentives to the qualifying grantees; and promoting the long term financial success of the Group by aligning the interests of option holders to shareholders of the Company.

The Scheme has been approved by the shareholders of the Company on 2 May 2013, and came into effect after the Company was listed on GEM of the Stock Exchange. No share options were granted, exercised or cancelled by the Company under the Scheme during the period under review and there were no outstanding share options under the Scheme as at 30 June 2013 and at the date of this report.

DIRECTORS’ RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the three months ended 30 June 2013 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2013, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules on the Stock Exchange:

Long Position:

Name of Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
East-Asia Pacific Limited (Note 1 above)	Beneficial owner	66,000,000	55%
Amazing Gain Limited (Note 1 above)	Interest in a controlled corporation	66,000,000	55%
J. Safra Sarasin Trust Company (Singapore) Limited (Note 1 above)	Trustee (other than a bare trustee)	66,000,000	55%
Ms. Law Lai Ying Ida (Note)	Interest of spouse	72,000,000	60%
Ms. Tang Fung Yin Anita (Note)	Interest of spouse	72,000,000	60%
Ms. Yeung Ho Ki (Note)	Interest of spouse	72,000,000	60%

Note:

Ms. Law Lai Ying Ida is the wife of Mr. Cheung King Shek. Ms. Tang Fung Yin Anita is the wife of Mr. Cheung King Shan. Ms. Yeung Ho Ki is the wife of Mr. Cheung King Fung Sunny. Pursuant to Part XV of the SFO, each of Ms. Law Lai Ying Ida, Ms. Tang Fung Yin Anita and Ms. Yeung Ho Ki is deemed to be interested in 72,000,000 shares of the Company which are interested by their respective husbands.

Save as disclosed above, as at 30 June 2013, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 30 June 2013, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

INTEREST OF COMPLIANCE ADVISER

As notified by China Everbright Capital Limited ("China Everbright"), the Company's compliance adviser, neither China Everbright nor any of its directors or employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser agreement entered into between the Company and China Everbright in May 2013) as at 30 June 2013 and the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 15 of the GEM Listing Rules throughout the three months ended 30 June 2013 except the deviation mentioned in the following paragraph.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

Since the date of listing of shares of the Company on GEM of the Stock Exchange (i.e. 30 May 2013) (the "Listing Date") and up to the date of this report, the role of the chairman of the Company (the "Chairman") is performed by Mr. Cheung King Shek but

the office of the chief executive officer of the Company is vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 2 May 2013 with written terms of reference in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the financial reporting process and internal control procedures of the Group, and oversee the relationship with the Company’s external auditor.

The Audit Committee comprises four Independent Non-executive Directors namely, Mr. Hui Ying Bun, Mr. Fong Ping, Ms. Kwok Yuen Man Marisa and Mr. Chu Kin Wang Peleus. Mr. Chu Kin Wang Peleus is the chairman of the Audit Committee. The Audit Committee has reviewed the Group’s unaudited quarterly results for the three months ended 30 June 2013.

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

Hong Kong, 7 August 2013

As at the date of this report, the Chairman and Non-executive Director is Mr. Cheung King Shek; the Executive Director is Mr. Cheung King Fung Sunny; the Non-executive Directors are Mr. Cheung King Shan and Mr. Cheung King Chuen Bobby; and the Independent Non-executive Directors are Mr. Hui Ying Bun, Mr. Fong Ping, Ms. Kwok Yuen Man Marisa and Mr. Chu Kin Wang Peleus.

This report will remain on the Stock Exchange Website at www.hkexnews.hk on the “Latest Company Announcements” page for at least 7 days from the day of its posting. This report will also be published on the Company’s website at www.tso.cc.