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北京迪信通商貿股份有限公司

Beijing Digital Telecom Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6188)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025:

The revenue of the Group amounted to RMB8,219,463,000, representing a decrease of 13.80%, as compared to the revenue of the Group of RMB9,535,821,000 for the same period of last year.

The net loss attributable to owners of the parent of the Company for the period amounted to RMB76,644,000, representing an increase in loss of 161.88%, as compared to the net loss attributable to owners of the parent of the Company of RMB29,267,000 for the same period of last year.

The basic loss per share amounted to RMB0.09/share, representing an increase in loss of RMB0.06/share, as compared to a basic loss per share of RMB0.03/share for the same period of last year.

The board (the "**Board**") of directors (the "**Director(s)**") of Beijing Digital Telecom Co., Ltd. (the "**Company**" or "**Digital Telecom**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (together, the "**Group**" or "**we**") for the six months ended 30 June 2025 together with the comparable figures for the same period of 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2025

	Notes	For the six months ended 30 June 2025 Unaudited *RMB'000*	2024 Unaudited *RMB'000*
REVENUE	*5*	**8,219,463**	9,535,821
Cost of sales		**(7,920,957)**	(9,201,551)
Gross profit		**298,506**	334,270
Other income and gains	*5*	**42,697**	29,125
Selling and distribution expenses		**(211,827)**	(194,333)
Administrative expenses		**(87,414)**	(96,217)
Impairment losses on financial assets		**(19,149)**	(23,884)
Other expenses		**(2,269)**	342
Finance costs		**(96,104)**	(76,479)
Share of profits and losses of:			
Joint ventures		**567**	(3,886)
Associates		**2,772**	3,518
LOSS BEFORE TAX	*6*	**(72,221)**	(27,544)
Income tax expense	*7*	**(1,201)**	(1,533)
LOSS FOR THE PERIOD		**(73,422)**	(29,077)
Attributable to:			
Owners of the parent		**(76,644)**	(29,267)
Non-controlling interests		**3,222**	190
		(73,422)	(29,077)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted *(RMB/share)*			
For loss for the period	*8*	**(0.09)**	(0.03)

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
(LOSS) FOR THE PERIOD	**(73,422)**	(29,077)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of a joint venture	**51**	(4,666)
Exchange differences on translation of foreign operations	**–**	(24)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**51**	(4,690)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	**(73,371)**	(33,767)
Attributable to:		
Owners of the parent	**(76,593)**	(33,957)
Non-controlling interests	**3,222**	190
	(73,371)	(33,767)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

	Note	**30 June 2025 Unaudited** *RMB'000*	31 December 2024 Audited *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**49,207**	46,987
Right-of-use assets		**176,400**	194,829
Other intangible assets		**1,852**	1,857
Investments in joint ventures		**31,998**	29,174
Investments in associates		**39,215**	38,647
Equity investments designated at fair value through other comprehensive income		**22,957**	22,957
Total non-current assets		**321,629**	334,451
CURRENT ASSETS			
Inventories		**441,834**	386,526
Trade and bills receivables	*9*	**1,618,952**	1,510,741
Prepayments, other receivables and other assets		**1,296,387**	1,363,993
Financial assets at fair value through profit or loss		**191,251**	204,466
Due from related parties		**963,365**	1,150,994
Pledged deposits		**2,964,052**	2,135,073
Cash and cash equivalents		**1,680,601**	3,309,731
Total current assets		**9,156,442**	10,061,524

	Note	30 June 2025 Unaudited RMB'000	31 December 2024 Audited RMB'000
CURRENT LIABILITIES			
Trade and bills payables	*10*	**324,131**	927,001
Other payables and accruals		**755,977**	470,484
Interest-bearing bank and other borrowings		**4,824,850**	3,662,093
Lease liabilities		**91,113**	95,162
Due to related parties		**3,345,493**	4,946,004
Tax payable		**26,750**	26,718
Total current liabilities		**9,368,314**	10,127,462
NET CURRENT LIABILITIES		**(211,872)**	(65,938)
TOTAL ASSETS LESS CURRENT LIABILITIES		**109,757**	268,513
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**–**	72,800
Deferred tax liabilities		**842**	842
Lease liabilities		**91,028**	103,613
Total non-current liabilities		**91,870**	177,255
NET ASSETS		**17,887**	91,258
EQUITY			
Equity attributable to owners of the parent:			
Issued capital		**886,460**	886,460
Reserves		**(2,283,091)**	(2,206,498)
		(1,396,631)	(1,320,038)
Non-controlling interests		**1,414,518**	1,411,296
TOTAL EQUITY		**17,887**	91,258

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China (the "**PRC**"). The registered office of the Company is located at Room 24603, 46th Floor, -4 to 45th Floor 101, Building 1, No. 20 Courtyard, Lize Road, Fengtai District, Beijing, the PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the sales of mobile telecommunications devices and accessories and the provision of related services.

In the opinion of the directors of the Company, before Zhuhai Huafa Technology Industry Group Co., Ltd. (formerly known as Zhuhai Huafa Industrial Investment Holding Co., Ltd.) and Hong Kong Huafa Investment Holdings Limited (collectively referred to as "**Huafa Group**") became the controlling shareholders of the Company, the former controlling shareholders of the Company were Mr. Liu Donghai, Mr. Liu Songshan, Ms. Liu Hua, Ms. Liu Wencui, Ms. Liu Yongmei and Ms. Liu Wenli, who are siblings (the "**Liu Family**"). Huafa Group acquired 67.77% of the Company's equity interests from the Liu Family and other minority shareholders in 2021, and under a concert party agreement with the Liu Family, controlled a total voting rights of 90.76% of the Company therefrom.

During the reporting period, Huafa Group held approximately 56.00% of the Company's equity interests in total, and together with a concert party agreement entered into between Zhuhai Huafa Technology Industry Group Co., Ltd., Digital Science & Technology Group Limited and Mr. Liu Donghai on 8 April 2024, jointly controlled approximately 74.99% of the total voting rights of the Company.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments which are:

1) Traditional-based operation – mobile-related: the sales of mobile telecommunications devices and accessories, and related services; and

2) New developed operation – others: the sales of vehicles, photovoltaic equipment and others.

Information about major customers

During the reporting period, the Group had no customers from whom the revenue was earned individually contributing to more than 10% of the Group's total revenue for the reporting period.

5. REVENUE, OTHER INCOME AND GAINS

(a) Revenue

An analysis of revenue is as follows:

Segments

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Types of goods or services		
Sales of mobile telecommunications devices and accessories	**7,234,052**	9,109,805
Including:		
Retail of mobile telecommunications devices and accessories	**1,794,662**	2,422,652
Sales of telecommunications devices and accessories to franchisees	**140,858**	244,983
Wholesales of mobile telecommunications devices and accessories	**5,298,532**	6,442,170
Sales of photovoltaic equipment	**665,487**	59,143
Sales of vehicles	**–**	35,833
Service income from mobile carriers	**117,179**	111,578
Revenue from provision of online and offline sales and marketing services*	**51,747**	58,113
Other service fee income	**150,998**	161,349
Total revenue from contracts with customers	**8,219,463**	9,535,821

* The Group generated service income for providing services to Huafa Group.

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**7,899,539**	9,204,781
Services transferred over time	**319,924**	331,040
Total revenue from contracts with customers	**8,219,463**	9,535,821
Geographical market		
Mainland China	**8,219,463**	9,535,821
Total revenue from contracts with customers	**8,219,463**	9,535,821

(b) Other income and gains

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Other income		
Interest income	**36,304**	14,605
Government grants *(Note (a))*	**2,507**	3,617
Others	**3,886**	10,903
	42,697	29,125

Note (a): The amount represents grants received from local PRC government authorities by the Group's subsidiaries in connection with certain financial subsidies and tax refunds to support local businesses. There are no unfulfilled conditions and other contingencies attached to the government grants.

6. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Cost of inventories sold and services provided	**7,920,957**	9,201,551
Depreciation of property, plant and equipment	**7,663**	7,065
Amortisation of intangible assets	**209**	305
Depreciation of right-of-use assets	**58,749**	56,027
Interest on lease liabilities	**4,665**	4,019
Impairment of financial assets:		
Impairment and write-down of trade receivables	**11,725**	14,739
Impairment and write-down of other receivables	**10,399**	6,219
(Reversal)/impairment of amount due from related parties	**(2,975)**	2,926
Fair value gain on financial assets at fair value through profit or loss	**(1,251)**	(3,147)
Impairment/(reversal) of inventories	**129**	(516)
Loss on disposal of property, plant and equipment	**153**	13

7. INCOME TAX

The provision for current income tax is based on a statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for Sichuan Yijialong Communication Technology Chain Co., Ltd., a subsidiary of the Company, which was subject to tax at preferential rate of 15% for the period of six months ended 30 June 2025. The major components of income tax expense are as follows:

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Current:		
Charge for the period	**1,201**	1,612
Deferred tax	**–**	(79)
Total tax expense for the period	**1,201**	1,533

Note: For losses in the prior period, tax credit is recognised up to the recoverable amount which represent unpaid tax provision brought forward. No deferred tax assets and accordingly tax credit was recognised for the losses in excess of the amount in the prior period. In the opinion of the directors, it is not probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the reporting periods.

The Group had no potentially dilutive ordinary shares in issue during the reporting periods. The calculation of the basic loss per share is based on:

	For the six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**(76,644)**	(29,267)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares	**886,460,400**	886,460,400

9. TRADE AND BILLS RECEIVABLES

	30 June 2025	31 December 2024
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade receivables	**2,733,484**	2,732,370
Bills receivable	**122,673**	3,620
Less: impairment of trade receivables	**(1,237,205)**	(1,225,249)
	1,618,952	1,510,741

The Group grants different credit periods to customers. The Group's retail sales to consumers are cash sales. Credit periods are offered to customers of volume sales of telecommunications devices and accessories. The credit periods offered to customers of volume sales are considered on a case-by-case basis.

The Group maintains strict control over and closely monitors its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the balance of trade and bills receivables as at the end of the reporting periods, based on the invoice date and net of provisions, is as follows:

	30 June 2025 Unaudited ***RMB'000***	31 December 2024 Audited *RMB'000*
Within 90 days	**178,306**	351,596
91 to 180 days	**280,573**	331,957
Over 180 days	**1,160,073**	827,188
	1,618,952	1,510,741

10. TRADE AND BILLS PAYABLES

	30 June 2025 Unaudited ***RMB'000***	31 December 2024 Audited *RMB'000*
Trade payables	**150,071**	145,844
Bills payable	**174,060**	781,157
	324,131	927,001

An ageing analysis of the balance of trade and bills payables as at the end of the reporting periods, based on the invoice date, is as follows:

	30 June 2025 Unaudited ***RMB'000***	31 December 2024 Audited *RMB'000*
Within 90 days	**174,349**	503,580
91 to 180 days	**1,501**	364,156
Over 180 days	**148,281**	59,265
	324,131	927,001

11. DIVIDENDS

The board of directors of the Company did not propose an interim dividend for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

For the six months ended 30 June 2025, the Group sold 1,602,000 mobile handsets, representing a decrease of 871,000 sets or 35.22%, as compared to the sales of 2,473,000 mobile handsets for the same period in 2024. Operating revenue for the first half of 2025 amounted to RMB8,219,463,000, representing a decrease of RMB1,316,358,000 or 13.80%, as compared to that of RMB9,535,821,000 for the same period in 2024. In the first half of 2025, the net loss attributable to owners of the parent of the Company for the six months ended 30 June 2025 amounted to RMB76,644,000, representing an increase in loss of RMB47,377,000 or 161.88%, as compared to the net loss attributable to owners of the parent of the Company of RMB29,267,000 for the same period of 2024. The increase in loss was mainly attributable to intensified competition in the 3C industry and market, resulting in a decrease in the overall gross profit of the Group.

II. FINANCIAL POSITION AND OPERATING RESULTS

(I) Overview

For the six months ended 30 June 2025, the Group recorded a net loss of RMB73,422,000, as compared to a net loss of RMB29,077,000 for the same period in 2024, representing a period-on-period increase in loss of 152.51%, among which, the net loss attributable to owners of the parent of the Company for the six months ended 30 June 2025 amounted to RMB76,644,000, representing a period-on-period increase in loss of RMB47,377,000 or 161.88%, as compared to the net loss attributable to owners of the parent of the Company of RMB29,267,000 for the same period of 2024. The basic loss per share amounted to RMB0.09/share, representing an increase in loss of RMB0.06/share, as compared to a basic loss per share of RMB0.03/share for the same period of last year.

1. Operating revenue

The Group's operating revenue for the six months ended 30 June 2025 amounted to RMB8,219,463,000, representing a decrease of RMB1,316,358,000, or 13.80%, as compared to that of RMB9,535,821,000 for the same period of 2024. The decrease in operating revenue was mainly due to the decline in sales in both retail and wholesale business as well as a decline in sales to franchisees. Our sales of mobile telecommunications devices and accessories include (i) sales in our retail business; (ii) sales in our franchise business; and (iii) sales in our wholesale business. Revenue from our retail business includes revenue from sales of mobile telecommunications devices and accessories in our independent stores, store-in-store outlets, stores in cooperation with the mobile carriers, and online sales platforms. Revenue from our franchise business includes revenue from sales of mobile telecommunications devices and accessories to our franchisees. Revenue from our wholesale business includes revenue from sales of mobile telecommunications devices and accessories we distribute to mobile carriers and other third-party retailers.

The Group's revenue from sales of mobile telecommunications devices and accessories amounted to RMB7,234,052,000 for the six months ended 30 June 2025, representing a decrease of RMB1,875,753,000 or 20.59%, as compared with that of RMB9,109,805,000 for the same period in 2024.

The Group's revenue from sales of photovoltaic equipment for the six months ended 30 June 2025 amounted to RMB665,487,000, representing an increase of RMB606,344,000, or 1,025.22%, as compared with the revenue of RMB59,143,000 from sales of photovoltaic equipment for the six months ended 30 June 2024.

The Group's service income from mobile carriers amounted to RMB117,179,000 for the six months ended 30 June 2025, representing an increase of RMB5,601,000 or 5.02%, as compared with that of RMB111,578,000 for the same period in 2024.

The Group's revenue from provision of online and offline sales and marketing services and other services for the six months ended 30 June 2025 amounted to RMB202,745,000 in total, representing a decrease of RMB16,717,000, or 7.62%, as compared with those of RMB219,462,000 in total for the six months ended 30 June 2024. Among which, revenue from other services decreased by RMB10,351,000, which was mainly attributable to the decrease in revenue from services provided to government and enterprise business during the six months ended 30 June 2025. In the future, the Company will expand its channel advantages in an all-round way to provide sales services to more customers.

2. *Cost of sales*

The Group's cost of sales for the six months ended 30 June 2025 amounted to RMB7,920,957,000, representing a decrease of RMB1,280,594,000, or 13.92%, as compared to that of RMB9,201,551,000 for the same period of 2024, which was in line with the decrease in the operating revenue.

3. *Gross profit and gross profit margin*

The Group's gross profit for the six months ended 30 June 2025 amounted to RMB298,506,000, representing a decrease of RMB35,764,000, or 10.70%, as compared to that of RMB334,270,000 for the same period in 2024. Our overall gross profit margins for the six months ended 30 June 2024 and 2025 were 3.51% and 3.63%, respectively. Our overall gross profit margins remained stable.

4. Other income and gains

Other income and gains include (i) interest income; (ii) government grants; and (iii) others. The Group's other income and gains for the six months ended 30 June 2025 amounted to RMB42,697,000, representing an increase of RMB13,572,000, or 46.60%, as compared to that of RMB29,125,000 for the same period in 2024. The increase in other income and gains was mainly due to the increase in interest income during the period.

5. Selling and distribution expenses

The Group's total selling and distribution expenses for the six months ended 30 June 2025 amounted to RMB211,827,000, representing an increase of RMB17,494,000, or 9.00%, as compared to that of RMB194,333,000 for the same period in 2024. The increase in selling and distribution expenses was due to the increase in marketing staff costs and rental expenses attributable to the new stores.

6. Administrative expenses

The Group's total administrative expenses for the six months ended 30 June 2025 amounted to RMB87,414,000, representing a decrease of RMB8,803,000, or 9.15%, as compared to that of RMB96,217,000 for the same period in 2024. The decrease in administrative expenses was due to an improvement in efficiency and reducing cost of administrative staff.

7. Finance costs

The Group's total finance costs for the six months ended 30 June 2025 amounted to RMB96,104,000, representing an increase of RMB19,625,000, or 25.66%, as compared to that of RMB76,479,000 for the same period in 2024. The increase in finance costs was due to the increase in bank borrowings.

8. Other expenses

Our other expenses mainly include impairment of inventories and losses from store closures. The Group's other expenses for the six months ended 30 June 2025 amounted to RMB2,269,000, as compared to that of RMB-342,000 for the same period in 2024. The increase in other expenses was mainly due to losses from store closures.

9. Income tax expense

The Group's total income tax expense for the six months ended 30 June 2025 amounted to RMB1,201,000, representing a decrease of RMB332,000, or 21.66%, as compared to that of RMB1,533,000 for the same period in 2024. The decrease in income tax expense was mainly due to the utilisation of tax losses brought forward from prior years by certain profit-making subsidiaries of the Group.

10. Indebtedness – bank and other borrowings

As of 30 June 2025, our bank borrowings were primarily bank loans which were short term in nature. The following table sets forth our outstanding borrowings as at the dates indicated:

	As at 30 June 2025 (Unaudited) ***RMB'000***	As at 31 December 2024 (Audited) *RMB'000*
Current		
Bank loans:		
Unsecured, repayable within one year	**1,547,550**	1,396,893
Secured, repayable within one year	**3,277,300**	1,563,200
Other loans:		
Unsecured, repayable within one year	**–**	80,000
Secured, repayable within one year	**–**	622,000
	4,824,850	3,662,093
Long-term		
Unsecured, repayable after one year	**–**	72,800
Total	**4,824,850**	3,734,893

(II) Capital expenditure

For the six months ended 30 June 2025, the Group's capital expenditure amounted to RMB27,892,000, which was mainly attributable to the acquisition of fixed assets and store renovation expenditure.

(III) Key financial ratios

The following table sets out our current ratio, gearing ratio and net debt-to-equity ratio as at the dates indicated:

Items	**As at 30 June 2025**	As at 31 December 2024	**Change**	**Percentage of change**
Current ratio	**0.98**	0.99	(0.01)	(1.01%)
Gearing ratio	**99.72%**	98.31%	1.41%	1.43%
Net debt-to-equity ratio	**17,578.40%**	465.89%	17,112.51%	3,673.08%

Current ratio is current assets divided by current liabilities at the end of each financial period. As at 30 June 2025, our current ratio was 0.98, representing a decrease of 0.01, or 1.01%, as compared to that of 0.99 as at 31 December 2024.

Gearing ratio is net debt divided by the sum of net debt and total equity at the end of each financial period and multiplied by 100%. Net debt includes interest-bearing bank and other borrowings, lease liabilities, etc., less cash and cash equivalents. As at 30 June 2025, our gearing ratio was 99.72%, representing an increase of 1.41 percentage points, or 1.43%, as compared to that of 98.31% as at 31 December 2024. The increase was mainly due to the increase in net debt.

Net debt-to-equity ratio equals net bank debt divided by total equity at the end of the each financial period and multiplied by 100%. As at 30 June 2025, our net debt-to-equity ratio was 17,578.40%, representing an increase of 17,112.51 percentage points, or 3,673.08%, as compared to that of 465.89% as at 31 December 2024. The increase was mainly due to the increase in net debt and the decrease in total equity.

(IV) Material acquisitions and disposals

During the six months ended 30 June 2025, the Group had no material acquisitions and disposals.

(V) Contingent liabilities

During the six months ended 30 June 2025, the Group had no contingent liabilities.

(VI) Foreign exchange rate risks

The Group's businesses are mainly located in Mainland China, and the majority of transactions are conducted in Renminbi. Most of the Group's assets and liabilities are denominated in Renminbi. The Group's exposure to foreign currency risk relates to the Group's bank deposits and other receivables denominated in United States dollars and Hong Kong dollars. The Group has not hedged its foreign exchange rate risks.

(VII) Pledge of assets

As at 30 June 2025, the Group had pledged deposits amounting to RMB2,964,052,000 and financial assets at fair value through profit or loss amounting to RMB191,251,000.

(VIII) Material investments

For the six months ended 30 June 2025, the Group had no other material investment.

(IX) Equity arrangements

For the six months ended 30 June 2025, no equity subscription was conducted by the Group. As of the date of this announcement, no equity scheme was made by the Group.

(X) Share capital

During the six months ended 30 June 2025, there was no change in the Company's share capital structure.

(XI) Material events after the reporting period

As of the date of this announcement, the Group had no material event after 30 June 2025 that is required to be disclosed.

(XII) Employees and remuneration policy

As at 30 June 2025, the Group had a total of 2,357 employees (30 June 2024: 2,478). Salary expenses and employees' benefit expenses were approximately RMB152,522,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB150,521,000). Remunerations for the Group's existing employees include salaries, performance-based bonus, social insurance and housing provident fund. The Group has also conducted various trainings for employees, including professional qualification training, product and business information training, and management skills training, which are conducted mainly in three ways through online learning, seminars and conferences and skill-specific training programmes.

III. BUSINESS OUTLOOK FOR THE SECOND HALF OF 2025

Year 2025 will be a pivotal year for Digital Telecom to deepen and solidify its core business foundation while accelerating innovation-driven transformation. Amid market challenges including tightening manufacturer channel controls and declining operator remuneration policies, the Company will remain committed to deepening its presence in the 3C industry and cultivating new business growth momentums. By leveraging national subsidy policies, we will capitalise on our nationwide channel network advantages, continuously improve refined management practices, and thereby ensure the attainment of our annual objectives:

I. Deepening channel synergy and consolidating the foundation of the core retail business

In terms of the offline retail business, the Company will formulate mid-to-long-term regional development strategies based on brand-specific "Allied Quality Dealers" policies and our operational realities, expediting structural upgrades to core stores while enhancing operational efficiency and increasing the percentage of profitable stores. In terms of the online retail business, under the operational strategy of "securing authorisations, expanding channels, and increasing product categories", we will continue to strengthen cooperation with platforms such as JD.com, Douyin and Kuaishou. Simultaneously, we will proactively explore local government subsidy resources and systematically expand authorisation for product categories enjoying national subsidy. In terms of the private domain development, the Company will focus on membership value and user operations, developing and enhancing service systems to strengthen stores' government-subsidized vehicle sales capabilities and internal management, while increasing conversion and repurchase rates to establish an integrated online-offline operations infrastructure.

II. Focusing on the core priorities to build a value ecosystem

Digital Telecom remains committed to its mobile phone business as the core while deeply exploring the opportunities of derivative businesses in the industrial chain: On the channel front, we will deepen collaborations with brands like Huawei, Honor, and Xiaomi, jointly develop marketing plans and implement enhanced performance tracking for core products to secure an active premium policy support from manufacturers. Regarding the supply chain, we will fully leverage our strengths in supply chains to overcome challenges in brand channel management and control, expand IoT product categories including PCs, smart home appliances, and AI hardware, and empower our subsidiaries in different business operations. To deepen post-market services, we will optimise digital platforms to enhance recycling conversion rates, refine operations in value-added services like repair and insurance to foster user loyalty, and explore new revenue streams.

III. Strategically analyzing market trends and deploying new energy initiatives

Based on the household photovoltaic business which has developed steadily through its early pilot projects, the Group will actively respond to industry policy fluctuations, flexibly adjust partnership strategies, and collaborate with brand manufacturers to explore community projects and operation and maintenance opportunities while optimising project operation models. The Group will also expand its business footprint and enter into both the commercial and industrial photovoltaic market in due course.

Regarding the photovoltaic supply chain business, the Group will leverage its professional expertise and channel resources to deepen cooperation with industry leaders in the photovoltaic supply chain sector, promoting multi-channel and multi-dimensional development of its new energy business.

IV. Advancing lean management practices and enhancing operational quality and efficiency

Digital Telecom will continue to comprehensively implement cost reduction and efficiency enhancement initiatives. On one front, we will, through optimising inventory management and other full-process control mechanisms across the supply chain, minimise inventory backlog and capital occupation and strengthen supply chain control. On another front, we will, through refining budget management, cost accounting, and performance allocation mechanisms, enhance financial management's support and monitoring capabilities for business operations while precisely improve resource allocation efficiency, in order to further strengthen the integration of business and finance. By remaining committed to elevating refined management standards, Digital Telecom will persistently develop our risk management system to strictly control operational risks. At the same time, we will continuously deepen digital system functionalities to empower operational management upgrades and drive dual improvements in operational efficiency and effectiveness. These concerted efforts are expected to provide robust safeguards for achieving all corporate objectives.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. During the six months ended 30 June 2025, save as disclosed below, the Company has complied with all applicable code provisions as set out in the CG Code and adopted most of the recommended best practices.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Xu Jili ("**Ms. Xu**") serves as the chairwoman and president of the Company. The position of the president has the same role and responsibility as the chief executive officer but with a different job title. The Board considers that it is appropriate and in the best interests of the Company for Ms. Xu to hold both positions which are conducive to maintaining the operational efficiency of the Company. The Board also meets on a regular basis to review the operations of the Company led by Ms. Xu. Accordingly, the Board believes that such arrangement will not affect the balance of power and authorisation between the Board and management of the Company. The Company will continue reviewing and enhancing its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the securities transactions for its Directors and supervisors (the "**Supervisors**"). Specific enquiries have been made to all Directors and Supervisors, and each of the Directors and Supervisors has confirmed that he/she has complied with the standard requirements set out in the Model Code during the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares). As of 30 June 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Board has established an audit committee of the Company (the "**Audit Committee**") currently consisting of two independent non-executive Directors, namely Mr. Cai Chun Fai (chairman) and Mr. Lv Tingjie, and one non-executive Director, namely Ms. Pan Anran.

The Audit Committee, together with the management of the Company, has reviewed the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.dixintong.com), respectively. The 2025 interim report of the Company containing all the information required by the Listing Rules will be made available to the shareholders on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Beijing Digital Telecom Co., Ltd.
XU Jili
Chairwoman

Beijing, the PRC
27 August 2025

As at the date of this announcement, the executive Directors are Ms. XU Jili, Ms. XU Liping and Mr. LIU Donghai; the non-executive Directors are Mr. XIE Hui, Mr. JIA Zhaojie and Ms. PAN Anran; and the independent non-executive Directors are Mr. LV Tingjie, Mr. LV Pingbo and Mr. CAI Chun Fai.