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迪信通
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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 2026

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2026:

The revenue of the Group amounted to RMB8,574,871,000, representing an increase of approximately 4.32%, as compared to the revenue of the Group of RMB8,219,463,000 for the same period of last year.

The net loss attributable to owners of the parent of the Company for the period amounted to RMB108,372,000, representing an increase in loss of approximately 41.40%, as compared to the net loss attributable to owners of the parent of the Company of RMB76,644,000 for the same period of last year.

The basic loss per share amounted to RMB0.12/share, representing an increase in loss of RMB0.03/share, as compared to a basic loss per share of RMB0.09/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 2026 together with the comparable figures for the same period of 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
		Unaudited	Unaudited
	Notes	***RMB'000***	*RMB'000*
REVENUE	*5*	**8,574,871**	8,219,463
Cost of sales		**(8,328,163)**	(7,920,957)
Gross profit		**246,708**	298,506
Other income and gains	*5*	**26,508**	42,697
Selling and distribution expenses		**(199,541)**	(211,827)
Administrative expenses		**(85,949)**	(87,414)
Impairment losses on financial assets		**(9,378)**	(19,149)
Other expenses		**(2,175)**	(2,269)
Finance costs		**(85,928)**	(96,104)
Share of profits and losses of:			
Joint ventures		**(314)**	567
Associates		**2,826**	2,772
LOSS BEFORE TAX	*6*	**(107,243)**	(72,221)
Income tax expense	*7*	**(1,300)**	(1,201)
LOSS FOR THE PERIOD		**(108,543)**	(73,422)
Attributable to:			
Owners of the parent		**(108,372)**	(76,644)
Non-controlling interests		**(171)**	3,222
		(108,543)	(73,422)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted *(RMB/share)*			
For loss for the period	*8*	**(0.12)**	(0.09)

	For the six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
(LOSS) FOR THE PERIOD	**(108,543)**	(73,422)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of a joint venture	**545**	51
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**545**	51
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	**(107,998)**	(73,371)
Attributable to:		
Owners of the parent	**(107,827)**	(76,593)
Non-controlling interests	**(171)**	3,222
	(107,998)	(73,371)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Note	**30 June 2026 Unaudited** *RMB'000*	31 December 2025 Audited *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**34,982**	41,728
Right-of-use assets		**129,429**	160,633
Other intangible assets		**1,163**	1,373
Investments in joint ventures		**38,350**	34,980
Investments in associates		**34,986**	35,301
Equity investments designated at fair value through other comprehensive income		**25,383**	25,383
Total non-current assets		**264,293**	299,398
CURRENT ASSETS			
Inventories		**748,589**	481,179
Trade and bills receivables	*9*	**940,400**	940,748
Prepayments, other receivables and other assets		**1,423,143**	1,424,136
Financial assets at fair value through profit or loss		**–**	21,000
Pledged deposits		**1,882,290**	2,349,454
Cash and cash equivalents		**1,845,646**	1,844,225
Total current assets		**6,840,068**	7,060,742

	Note	30 June 2026 Unaudited *RMB'000*	31 December 2025 Audited *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*10*	**49,902**	210,416
Other payables and accruals		**1,469,175**	1,220,498
Interest-bearing bank and other borrowings		**6,600,741**	6,988,469
Lease liabilities		**48,118**	66,161
Tax payable		**26,560**	32,250
Total current liabilities		**8,194,496**	8,517,794
NET CURRENT LIABILITIES		**(1,354,428)**	(1,457,052)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,090,135)**	(1,157,654)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**319,600**	124,800
Deferred tax liabilities		**1,403**	1,403
Lease liabilities		**71,310**	90,593
Total non-current liabilities		**392,313**	216,796
NET LIABILITIES		**(1,482,448)**	(1,374,450)
EQUITY			
Equity attributable to owners of the parent:			
Issued capital		**886,460**	886,460
Reserves		**(3,750,678)**	(3,642,851)
		(2,864,218)	(2,756,391)
Non-controlling interests		**1,381,770**	1,381,941
TOTAL EQUITY		**(1,482,448)**	(1,374,450)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2026

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 2026 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 2025.

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 2025, 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 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	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Types of goods or services		
Sales of mobile telecommunications devices and accessories	**8,372,228**	7,234,052
Including:		
Retail of mobile telecommunications devices and accessories	**2,095,288**	1,794,662
Sales of telecommunications devices and accessories to franchisees	**63,885**	140,858
Wholesales of mobile telecommunications devices and accessories	**6,213,055**	5,298,532
Sales of photovoltaic equipment	**14,322**	665,487
Service income from mobile carriers	**86,390**	117,179
Revenue from provision of online and offline sales and marketing services*	**–**	51,747
Other service fee income	**101,931**	150,998
Total revenue from contracts with customers	**8,574,871**	8,219,463

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

	For the six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**8,386,550**	7,899,539
Services transferred over time	**188,321**	319,924
Total revenue from contracts with customers	**8,574,871**	8,219,463
Geographical market		
Mainland China	**8,574,871**	8,219,463
Total revenue from contracts with customers	**8,574,871**	8,219,463

(b) Other income and gains

	For the six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Other income		
Interest income	**24,579**	36,304
Government grants *(Note (a))*	**1,953**	2,507
Others	**(24)**	3,886
	26,508	42,697

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	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Cost of inventories sold and services provided	**8,328,163**	7,920,957
Depreciation of property, plant and equipment	**11,181**	7,663
Amortisation of intangible assets	**210**	209
Depreciation of right-of-use assets	**63,130**	58,749
Interest on lease liabilities	**2,744**	4,665
Impairment of financial assets:		
Impairment and write-down of trade receivables	**2,814**	11,725
Impairment and write-down of other receivables	**23,799**	10,399
(Reversal) of amount due from related parties	**(17,235)**	(2,975)
Fair value gain on financial assets at fair value through profit or loss	**–**	(1,251)
Impairment of inventories	**962**	129
Loss on disposal of property, plant and equipment	**16**	153

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 2026. The major components of income tax expense are as follows:

	For the six months ended 30 June	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Current:		
Charge for the period	**1,300**	1,201
Deferred tax	**–**	–
Total tax expense for the period	**1,300**	1,201

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	
	2026	2025
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**(108,372)**	(76,644)

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares	**886,460,400**	886,460,400

9. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade receivables	**2,791,322**	2,734,773
Bills receivable	**143**	54,558
Less: impairment of trade receivables	**(1,851,065)**	(1,848,583)
Net carrying amount	**940,400**	940,748
Trade receivables include:		
Amounts due from related parties	**254,387**	285,629
Others	**685,870**	600,561

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.

The bills receivables have an average maturity period of one to six months and the bills receivables are neither past due nor impaired. The provision was assessed to be minimal.

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

	30 June 2026	31 December 2025
	Unaudited	Audited
	RMB'000	*RMB'000*
Within 1 year	**30,209**	376,944
1 to 2 years	**281,758**	203,605
Over 2 years	**628,290**	305,641
Total	**940,257**	886,190

10. TRADE AND BILLS PAYABLES

	30 June 2026	31 December 2025
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade payables	**49,902**	121,266
Bills payable	**–**	89,150
Total	**49,902**	210,416

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 2026	31 December 2025
	Unaudited	Audited
	RMB'000	*RMB'000*
Within 90 days	**28,569**	158,021
91 to 180 days	**10,654**	8,238
181 to 365 days	**8,678**	12,965
Over 1 year	**2,001**	31,192
Total	**49,902**	210,416

Trade payables are non-interest-bearing and are generally settled within 30 to 60 days.

11. DIVIDENDS

The board of directors of the Company did not propose an interim dividend for the six months ended 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

For the six months ended 30 June 2026, the Group sold 2,062,000 mobile handsets, representing an increase of 460,000 sets or 28.71%, as compared to the sales of 1,602,000 mobile handsets for the same period in 2025. Operating revenue for the first half of 2026 amounted to RMB8,574,871,000, representing an increase of RMB355,408,000 or 4.32%, as compared to that of RMB8,219,463,000 for the same period in 2025. In the first half of 2026, the net loss attributable to owners of the parent of the Company for the six months ended 30 June 2026 amounted to RMB108,372,000, representing an increase in loss of RMB31,728,000 or 41.40%, as compared to the net loss attributable to owners of the parent of the Company of RMB76,644,000 for the same period in 2025. The increase in loss was primarily due to the fact that the continuous rise in the cost of inventories had resulted in the rise in product prices and the decrease in market demand, and the persistent sluggish offline market environment had led to a reduction in the scale of offline channel promotion activities, resulting in an overall decline in gross profit margin for the Group.

II. FINANCIAL POSITION AND OPERATING RESULTS

(I) Overview

For the six months ended 30 June 2026, the Group recorded a net loss of RMB108,543,000, as compared to a net loss of RMB73,422,000 for the same period in 2025, representing a period-on-period increase in loss of RMB35,121,000 or 47.83%. Among which, the net loss attributable to owners of the parent of the Company for the six months ended 30 June 2026 amounted to RMB108,372,000, representing a period-on-period increase in loss of RMB31,728,000 or 41.40%, as compared to the net loss attributable to owners of the parent of the Company of RMB76,644,000 for the same period in 2025. The basic loss per share amounted to RMB0.12/share, representing an increase in loss of RMB0.03/share, as compared to a basic loss per share of RMB0.09/share for the same period of last year.

1. Operating revenue

The Group's operating revenue for the six months ended 30 June 2026 amounted to RMB8,574,871,000, representing an increase of RMB355,408,000, or 4.32%, as compared to that of RMB8,219,463,000 for the same period in 2025. The increase in operating revenue was mainly due to the rise in sales in both retail and wholesale business. 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 RMB8,372,228,000 for the six months ended 30 June 2026, representing an increase of RMB1,138,176,000 or 15.73%, as compared with that of RMB7,234,052,000 for the same period in 2025.

The Group's revenue from sales of photovoltaic equipment for the six months ended 30 June 2026 amounted to RMB14,322,000, representing a decrease of RMB651,165,000, or 97.85%, as compared with the revenue of RMB665,487,000 from sales of photovoltaic equipment for the six months ended 30 June 2025. This was primarily due to the fact that after the implementation of Document No. 136 of the national policies on the photovoltaic industry, the feed-in tariff for photovoltaic power had shifted from fixed guaranteed prices to market-based competition, resulting in greater fluctuations in project returns, more prudent decision-making by investment entities, and a slower pace of power station development, thereby leading to a decrease in demand for upstream equipment such as modules.

The Group's service income from mobile carriers amounted to RMB86,390,000 for the six months ended 30 June 2026, representing a decrease of RMB30,789,000 or 26.28%, as compared with that of RMB117,179,000 for the same period in 2025.

The Group's revenue from provision of online and offline sales and marketing services and other services for the six months ended 30 June 2026 amounted to RMB101,931,000 in total, representing a decrease of RMB100,814,000, or 49.72%, as compared with those of RMB202,745,000 in total for the six months ended 30 June 2025. Among which, revenue from other services decreased by RMB49,067,000, which was mainly attributable to the decrease in revenue from services provided to government and enterprise business during the six months ended 30 June 2026. 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 2026 amounted to RMB8,328,163,000, representing an increase of RMB407,206,000, or 5.14%, as compared to that of RMB7,920,957,000 for the same period in 2025, which was due to the continuous rise in the costs of inventories.

3. Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 June 2026 amounted to RMB246,708,000, representing a decrease of RMB51,798,000, or 17.35%, as compared to that of RMB298,506,000 for the same period in 2025. Our overall gross profit margin decreased from 3.63% for the six months ended 30 June 2025 to 2.88% for the six months ended 30 June 2026, which was mainly due to the fact that the continuous rise in the cost of inventories had resulted in the rise in product prices and the decrease in market demand, and the persistent sluggish offline market environment had led to a reduction in the scale of offline channel promotion activities.

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 2026 amounted to RMB26,508,000, representing a decrease of RMB16,189,000, or 37.92%, as compared to that of RMB42,697,000 for the same period in 2025. The decrease in other income and gains was mainly due to the decrease 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 2026 amounted to RMB199,541,000, representing a decrease of RMB12,286,000, or 5.80%, as compared to that of RMB211,827,000 for the same period in 2025. The selling and distribution expenses remained relatively stable as compared to the same period of last year.

6. Administrative expenses

The Group's total administrative expenses for the six months ended 30 June 2026 amounted to RMB85,949,000, representing a decrease of RMB1,465,000, or 1.68%, as compared to that of RMB87,414,000 for the same period in 2025. The administrative expenses remained relatively stable as compared to the same period of last year.

7. Finance costs

The Group's total finance costs for the six months ended 30 June 2026 amounted to RMB85,928,000, representing a decrease of RMB10,176,000, or 10.59%, as compared to that of RMB96,104,000 for the same period in 2025. The decrease in finance costs was due to the decrease in other 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 2026 amounted to RMB2,175,000, as compared to that of RMB2,269,000 for the same period in 2025. The other expenses remained relatively stable as compared to the same period of last year.

9. Income tax expense

The Group's total income tax expense for the six months ended 30 June 2026 amounted to RMB1,300,000, representing an increase of RMB99,000, or 8.24%, as compared to that of RMB1,201,000 for the same period in 2025. Income tax expense remained relatively stable as compared with the same period of last year.

10. Indebtedness – bank and other borrowings

As at 30 June 2026, our bank borrowings were primarily bank loans which were short term in nature, and we had bank borrowings with a long-term nature. The following table sets forth our outstanding borrowings as at the dates indicated:

	As at 30 June 2026 (Unaudited) *RMB'000*	As at 31 December 2025 (Audited) *RMB'000*
Current		
Bank loans:		
Unsecured, repayable within one year	**4,163,891**	4,118,700
Secured, repayable within one year	**2,436,850**	1,785,469
Other borrowings:		
Unsecured, repayable within one year	**–**	270,000
Secured, repayable within one year	**–**	814,300
	6,600,741	6,988,469
Long-term		
Unsecured, repayable after one year	**319,600**	124,800
Total	**6,920,341**	7,113,269

(II) Capital expenditure

For the six months ended 30 June 2026, the Group's capital expenditure amounted to RMB6,494,000, 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 2026**	As at 31 December 2025	**Change**	**Percentage of change**
Current ratio	**0.83**	0.83	–	–
Gearing ratio	**139.94%**	133.93%	6.01%	4.49%
Net debt-to-equity ratio	**-175.56%**	-180.52%	4.96%	2.75%

Current ratio is current assets divided by current liabilities at the end of each financial period. As at 30 June 2026, our current ratio was 0.83, and remained basically unchanged, as compared to that of 0.83 as at 31 December 2025.

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 2026, our gearing ratio was 139.94%, representing an increase of 6.01 percentage points, or 4.49%, as compared to that of 133.93% as at 31 December 2025. The increase was mainly due to the decrease in total equity.

Net debt-to-equity ratio equals net bank debt divided by total equity at the end of each financial period and multiplied by 100%. As at 30 June 2026, our net debt-to-equity ratio was -175.56%, representing an increase of 4.96 percentage points, or 2.75%, as compared to that of -180.52% as at 31 December 2025. The increase was mainly due to the decrease in total equity.

(IV) Material acquisitions and disposals

During the six months ended 30 June 2026, the Group had no material acquisitions and disposals.

(V) Contingent liabilities

During the six months ended 30 June 2026, 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 2026, the Group had no restricted assets, other than pledged deposits amounting to RMB1,882,290,000.

(VIII) Material investments

For the six months ended 30 June 2026, the Group had no other material investment.

(IX) Equity arrangements

For the six months ended 30 June 2026, 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 2026, there was no change in the Company's share capital structure.

(XI) Material events after the reporting period

Reference is made to the announcement of the Company dated 13 July 2026 (the "**Announcement**") and capitalised terms used in this paragraph shall have the same meanings as those set out in the Announcement. On 11 July 2026, the Board was informed by Zhuhai Huafa, the controlling shareholder of the Company, that received a notice from the Commission informing Zhuhai Huafa that Mr. LIU Donghai（劉東海）, an executive Director, has been detained by the Commission and a formal investigation has been commenced by the Commission against Mr. Liu in connection with suspected violations of law. In light of the Incident, the Board has resolved on 13 July 2026 to suspend all operational, administrative and executive duties and powers of Mr. Liu in the Company with immediate effect.

Save for the above, as of the date of this announcement, the Group had no material event after 30 June 2026 that is required to be disclosed.

(XII) Employees and remuneration policy

As at 30 June 2026, the Group had a total of 2,545 employees (30 June 2025: 2,672). Salary expenses and employees' benefit expenses were approximately RMB147,586,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB152,522,000). Remuneration 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 2026

2026 is a crucial year for Digital Telecom to seek breakthroughs by focusing on its core business and pursue transformation by leveraging its capabilities. In the face of multiple challenges – continuously rising industry costs and further weakening consumer spending – Digital Telecom will first leverage its nationwide distribution network advantage. On the one hand, it will continue to integrate national subsidy and local municipal subsidy resources to enhance competitiveness; on the other hand, it will continuously explore new demands arising from changes in the retail environment and supply chain adjustments on online platforms, thereby improving the quality and efficiency of its core business. Furthermore, building on the exploration in the first half of the year, the equipment rental services, distribution and agency of smart products, and Huawei government and enterprise businesses surrounding the core business are expected to achieve rapid growth in the second half of the year. At the same time, innovative businesses with lower relevance to the core business, such as government and enterprise services, have also found new directions for scaled development. In the second half of 2026, Digital Telecom will pursue both business efficiency improvement and management enhancement, ensuring the high-quality achievement of its annual targets:

(I) Strengthen resource integration, resist market downturn, and achieve counter-trend growth in the core retail business

In terms of offline retail operations, while the national subsidy policy continues, its benefits are diminishing, and the emergence of regional differentiated subsidy policies has become a core factor in stimulating consumption. In the midst of an economic downturn, the strongest promotional offers become the primary factor in consumer experience. To this end, Digital Telecom focused on fully integrating resources nationwide such as national subsidies, regional subsidies, platform subsidies, and the Company's own subsidies, creating promotional programmes that are clearly superior to those of competitors and providing consumers with the optimal solution, thereby enabling offline retail business performance to surpass market levels. In terms of online retail operations, on the one hand, it will continue to pursue the operational strategy of "securing authorisations, expanding channels, and increasing product categories"; on the other hand, based on mainstream platforms' increasingly strong demand for local fulfilment of local orders, it will actively build and strengthen Digital Telecom's nationwide capillary supply chain to explore new directions for scaled business. In terms of private domain operations, it will first achieve comprehensive reach of strong promotional policies to all private domain members, enhancing their attractiveness and conversion rates. Furthermore, it will actively integrate into the broader membership system of Zhuhai Huafa Group Co., Ltd. ("**Huafa**"), providing more types of benefits to its own private domain members while also offering high-quality communications products and services to the wider Huafa private domain members.

(II) Leverage strengths, foster multi-party collaboration, and continue to strengthen comprehensive empowerment of small and medium-sized merchants in the industry

In the first half of 2026, Digital Telecom collaborated with manufacturers, telecom operators, and various local commercial management organisations to integrate the industry-leading resources and capabilities available to Digital Telecom and provide them to small and medium-sized merchants across regions to enhance their viability, achieving remarkable results. In the second half of the year, on the one hand, Digital Telecom will continue to strengthen its close alliance with small and medium-sized merchants, spanning supply chain to policy support, products to services, and operations; on the other hand, it will expand the scope of empowerment, including the coverage of merchants and the types and depth of empowerment provided to existing merchants, achieving win-win cooperation and jointly building an industry ecosystem.

(III) Concentrate resources and efforts on high-potential new categories and new businesses, striving to achieve scaled contributions from new businesses

Since the second half of 2025, in response to the emergence of more than ten new business opportunities related to the core business, Digital Telecom has explored and attempted each of them one by one, and has selected the following directions to expand business scale from among them. First is the equipment rental business, which is highly relevant to mobile phones, where the supply chain and financial services provided by Digital Telecom will cover most leading platforms. Second is supply chain services for mainstream e-commerce platforms, where Digital Telecom will achieve broad coverage and scale expansion. Third are non-mobile phone categories such as AI glasses, conference equipment, and learning devices, where Digital Telecom will, at the appropriate time and in the appropriate regions, provide manufacturers with full-process services covering both retail and agency. Fourth is equipment related to the upstream of the industry, such as chips and computing power, where Digital Telecom will also actively engage and provide government and enterprise services. Finally, in the whole-home smart solutions segment, which is highly relevant to Huafa, Digital Telecom will participate in a market-oriented and competitive manner, providing related product agency and engineering services. The above business lines are all expected to generate effective scale and output.

(IV) Unwaveringly pursue cost reduction and efficiency enhancement, transforming support capabilities such as risk control and technology into the Company's effective competitiveness

In the second half of 2026, under the overall arrangement with Huafa Group, Digital Telecom will continue to deepen its efforts in cost reduction and efficiency enhancement. On one hand, it will achieve headcount optimisation through regional integration and position streamlining, and achieve proportional rent reductions through comprehensive negotiations, making every effort to reduce expenditures on these two major cost items. On the other hand, it will comprehensively conduct clearance of obsolete inventory to improve the efficiency of supply chain fund utilisation, optimise business models to enhance the efficiency of business fund utilisation, and continuously reduce finance costs. At the same time, Digital Telecom will continue to adhere to the principle that risk control precedes business expansion, supported by digital infrastructure and full-process monitoring, and underpinned by an efficient decision-making mechanism involving process review and timely adjustments. While continuously improving its back-end support capabilities, it will also internalise such capabilities as part of its corporate competitiveness, enabling better, safer, and more efficient absorption of external resources.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2026.

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 2026, 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. Specific enquiries have been made to all Directors, and each of the Directors has confirmed that he/she has complied with the standard requirements set out in the Model Code during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, 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 defined under the Listing Rules)). As of 30 June 2026, 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 2026.

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 2026 interim report of the Company containing all the information required by the Listing Rules will be made available to the shareholders of the Company 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
28 August 2026

As at the date of this announcement, the executive Directors are Ms. XU Jili, Ms. XU Liping, Mr. LIU Liang and Mr. LIU Donghai (duties suspended); the non-executive Directors are 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.