



北京迪信通商貿股份有限公司  
Beijing Digital Telecom Co., Ltd.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
Stock Code: 06188



2026 Interim Report





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## COMPANY PROFILE

Beijing Digital Telecom Co., Ltd. (the “**Company**” or “**Digital Telecom**”) was founded in 2001 and has been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 06188) since 2014.

As at 30 June 2026, the Company had over 100 subsidiaries (collectively referred to as the “**Group**” or “**we**”) and had opened over 660 independently operated outlets and franchised outlets in 18 provinces and 4 municipalities over China. With its extensive offline sales channels and online sales platform, the Group provides a range of integrated services to consumers, ranging from the sales of mobile phone hardware and accessories, provision of value-added services for software, and provision of personalised services for mobile phones and aftersales services since its establishment.

The Group has continued to strengthen the construction of its governance system, laying a solid foundation for improving the state-owned enterprise management system. To better adapt to the development environment of the retail industry under new internal and external situations, we have cultivated new growth drivers while focusing on core businesses through multi-channel operational systems and multi-dimensional service models. This includes actively developing new retail operations and diversified product sales businesses to consolidate market competitiveness and brand influence. While consolidating its existing operations, the exploration, transformation and upgrading of the new energy business has achieved initial results. The household photovoltaic agency business continues to expand through nationwide coordination, achieving full coverage of leading brands and entering a phase of stable development.

In the tide of the new era, we will strive to lead the way and forge ahead toward higher goals, jointly writing a new chapter for Digital Telecom’s innovative development!



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Xu Jili (*Chairwoman*) (retired with effect from 31 August 2026)  
Ms. Xu Liping (*Chairwoman*) (appointed as Chairwoman on 31 August 2026)  
Mr. Liu Liang  
Ms. Chen Yuan (appointed on 5 August 2026 and effective from 31 August 2026)  
Mr. Liu Donghai (duties suspended from 13 July 2026 and retired with effect from 31 August 2026)

#### Non-executive Directors

Mr. Jia Zhaojie (retired with effect from 31 August 2026)  
Ms. Pan Anran  
Mr. Liu Jinyi (appointed on 31 August 2026)  
Mr. Liu Songshan (appointed on 31 August 2026)

#### Independent Non-executive Directors

Mr. Lv Tingjie  
Mr. Lv Pingbo (retired with effect from 31 August 2026)  
Mr. Cai Chun Fai  
Mr. Liu Zhiyong (appointed on 31 August 2026)

### JOINT COMPANY SECRETARIES

Mr. Huang Mingqiang  
Ms. Au Ching

### AUTHORIZED REPRESENTATIVES

Ms. Xu Liping  
Ms. Au Ching

### AUDIT COMMITTEE

Mr. Cai Chun Fai (*Chairman*)  
Ms. Pan Anran  
Mr. Lv Tingjie

### NOMINATION COMMITTEE

Ms. Xu Jili (*Chairwoman*) (retired with effect from 31 August 2026)  
Ms. Xu Liping (*Chairwoman*) (appointed as Chairwoman on 31 August 2026)  
Mr. Liu Zhiyong (appointed on 31 August 2026)  
Mr. Cai Chun Fai

### REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Cai Chun Fai (*Chairman*)  
Ms. Xu Liping  
Mr. Lv Pingbo (retired with effect from 31 August 2026)  
Mr. Liu Zhiyong (appointed on 31 August 2026)

### STRATEGY COMMITTEE

Ms. Xu Jili (*Chairwoman*) (retired with effect from 31 August 2026)  
Ms. Xu Liping (*Chairwoman*) (appointed as Chairwoman on 31 August 2026)  
Mr. Liu Jinyi (appointed on 31 August 2026)  
Mr. Liu Liang  
Mr. Liu Donghai (duties suspended from 13 July 2026 and retired with effect from 31 August 2026)  
Mr. Jia Zhaojie (retired with effect from 31 August 2026)  
Mr. Lv Tingjie  
Ms. Chen Yuan (appointed on 31 August 2026)

## CORPORATE INFORMATION *(Continued)*

### LEGAL ADVISERS

As to Hong Kong law:  
Bird & Bird  
6/F, The Annex, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

As to PRC law:  
Zhong Lun Law Firm  
22-24/F and 27-31/F  
South Tower of building 3 of CP Center  
20 Jinhe East Avenue  
Chaoyang District  
Beijing  
PRC

### REGISTERED OFFICE

Room 24603, 46th Floor  
-4 to 45th Floor 101  
Building 1, No. 20 Courtyard, Lize Road  
Fengtai District  
Beijing  
PRC

### HEADQUARTER

Room 24603, 46th Floor  
-4 to 45th Floor 101  
Building 1, No. 20 Courtyard, Lize Road  
Fengtai District  
Beijing  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

### H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### STOCK CODE

6188

### COMPANY'S WEBSITE

[www.dixintong.com](http://www.dixintong.com)

### PRINCIPAL BANKS

China Merchants Bank Co., Ltd.  
China Citic Bank Corporation Limited  
China Minsheng Banking Corp., Ltd.  
Bank of Communications Co., Ltd.  
Industrial and Commercial Bank of China Co., Ltd.

### AUDITORS

SHINEWING (HK) CPA Limited  
(appointed with effect from 31 August 2026)  
Ernst & Young  
(retired with effect from 30 June 2026)

## FINANCIAL HIGHLIGHTS

|                                                                        | For the six months ended 30 June |           |
|------------------------------------------------------------------------|----------------------------------|-----------|
|                                                                        | 2026                             | 2025      |
|                                                                        | Unaudited                        | Unaudited |
|                                                                        | RMB'000                          | RMB'000   |
| <b>Consolidated Statement of Profit or Loss</b>                        |                                  |           |
| Revenue                                                                | 8,574,871                        | 8,219,463 |
| Gross profit                                                           | 246,708                          | 298,506   |
| (Loss) for the period                                                  | (108,543)                        | (73,422)  |
| Attributable to:                                                       |                                  |           |
| Owners of the parent                                                   | (108,372)                        | (76,644)  |
| Non-controlling interests                                              | (171)                            | 3,222     |
| (Loss) per share attributable to ordinary equity holders of the parent |                                  |           |
| – Basic and diluted (RMB/share)                                        | (0.12)                           | (0.09)    |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>           | 545                              | 51        |
| <b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>                       | (107,998)                        | (73,371)  |
| Attributable to:                                                       |                                  |           |
| Owners of the parent                                                   | (107,827)                        | (76,593)  |
| Non-controlling interests                                              | (171)                            | 3,222     |

## FINANCIAL HIGHLIGHTS *(Continued)*

|  | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|--|---------------------------------------------------|-----------------------------------------------------|
|--|---------------------------------------------------|-----------------------------------------------------|

### Consolidated Statement of Financial Position

|                                             |                    |             |
|---------------------------------------------|--------------------|-------------|
| Non-current assets                          | <b>264,293</b>     | 299,398     |
| Current assets                              | <b>6,840,068</b>   | 7,060,742   |
| Total assets                                | <b>7,104,361</b>   | 7,360,140   |
| Current liabilities                         | <b>8,194,496</b>   | 8,517,794   |
| Total assets less current liabilities       | <b>(1,090,135)</b> | (1,157,654) |
| Non-current liabilities                     | <b>392,313</b>     | 216,796     |
| Net assets                                  | <b>(1,482,448)</b> | (1,374,450) |
| Share capital                               | <b>886,460</b>     | 886,460     |
| Reserves                                    | <b>(3,750,678)</b> | (3,642,851) |
| Equity attributable to owners of the parent | <b>(2,864,218)</b> | (2,756,391) |
| Non-controlling interests                   | <b>1,381,770</b>   | 1,381,941   |

|  | <b>For the six months ended 30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>2025<br/>Unaudited<br/>RMB'000</b> |
|--|----------------------------------------------------------------------------|---------------------------------------|
|--|----------------------------------------------------------------------------|---------------------------------------|

### Consolidated Statement of Cash Flows

|                                                          |                  |             |
|----------------------------------------------------------|------------------|-------------|
| Net cash flows (used in) operating activities            | <b>(184,625)</b> | (73,976)    |
| Net cash flows from/(used in) investing activities       | <b>15,005</b>    | (16,279)    |
| Net cash flows from/(used in) financing activities       | <b>171,042</b>   | (1,538,874) |
| Net increase/(decrease) in cash and cash equivalents     | <b>1,422</b>     | (1,629,129) |
| Cash and cash equivalents at the beginning of the period | <b>1,844,224</b> | 3,309,730   |
| Cash and cash equivalents at the end of the period       | <b>1,845,646</b> | 1,680,601   |

# 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 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<br>30 June<br>2026<br>(Unaudited)<br>RMB'000 | As at<br>31 December<br>2025<br>(Audited)<br>RMB'000 |
|--------------------------------------|----------------------------------------------------|------------------------------------------------------|
| <b>Current</b>                       |                                                    |                                                      |
| 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                                              |
|                                      | <b>6,600,741</b>                                   | <b>6,988,469</b>                                     |
| <b>Long-term</b>                     |                                                    |                                                      |
| Unsecured, repayable after one year  | 319,600                                            | 124,800                                              |
| <b>Total</b>                         | <b>6,920,341</b>                                   | <b>7,113,269</b>                                     |

### (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<br>30 June<br>2026 | As at<br>31 December<br>2025 | Change | Percentage<br>of change |
|--------------------------|--------------------------|------------------------------|--------|-------------------------|
| Current ratio            | <b>0.83</b>              | 0.83                         | —      | —                       |
| Gearing ratio            | <b>139.94%</b>           | 133.93%                      | 6.01%  | 4.49%                   |
| Net debt-to-equity ratio | <b>-175.56%</b>          | -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 report, 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 report, 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 Huaafa, 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.

## OTHER INFORMATION

### INTERIM DIVIDEND

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

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company (the “**Chief Executive(s)**”) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which 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 those interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

Interests in the Company:

| Name of Director     | Type of shares  | Nature of interests                | Number of shares/<br>underlying shares<br>held (long position/<br>short position/<br>lending pool) | Percentage of<br>the relevant<br>class of share<br>capital (%)<br>(Note 1) | Percentage of<br>the total share<br>capital (%)<br>(Note 1) |
|----------------------|-----------------|------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
| Liu Donghai (Note 2) | Domestic Shares | Interest of controlled corporation | 168,362,098<br>(long position)                                                                     | 49.86                                                                      | 18.99                                                       |
|                      |                 | Person acting in concert           | 169,337,902<br>(long position)                                                                     | 50.14                                                                      | 19.10                                                       |

Notes:

1. The percentage is calculated with the total number of 886,460,400 shares of the Company in issue as at 30 June 2026, comprising 337,700,000 domestic shares of the Company (the “**Domestic Shares**”) and 548,760,400 H shares of the Company (the “**H Shares**”).

## OTHER INFORMATION *(Continued)*

2. As at 30 June 2026, Digital Science & Technology Group Limited (“**Digital Science & Technology**”) directly held 168,362,098 Domestic Shares, and Liu Donghai, Liu Songshan, Liu Hua, Liu Wencui, Liu Yongmei and Liu Wenli (collectively, the “**Liu Family**”) jointly held the entire equity interest in Digital Science & Technology. Accordingly, pursuant to the SFO, the Liu Family were deemed to be interested in 168,362,098 Domestic Shares held by Digital Science & Technology.

In addition, Beijing Di Er Tong Consulting Company Limited (“**Di Er Tong**”) and Digital Science & Technology, together with the Liu Family, entered into an acting-in-concert agreement (the “**Original Concert Party Agreement**”) with Zhuhai Huafa Technology Industry Group Co., Ltd. (“**Huafa Technology Industry Group**”, formerly known as Zhuhai Huafa Industrial Investment Holding Co., Ltd.) on 29 January 2021. The term of the Original Concert Party Agreement expired on 7 April 2024. On 8 April 2024, Huafa Technology Industry Group, Digital Science & Technology and Liu Donghai entered into a three-year acting-in-concert agreement (the “**New Concert Party Agreement**”), pursuant to which Digital Science & Technology and Liu Donghai agreed to continue to take concerted action with and act in accordance with the will of Huafa Technology Industry Group in relation to any shares in the Company that Digital Science & Technology and/or Liu Donghai held directly or indirectly for certain matters of the Company. In addition, Digital Science & Technology will continue to entrust the voting rights in respect of its 168,362,098 Domestic Shares in the Company held by Digital Science & Technology to Huafa Technology Industry Group during the term of the New Concert Party Agreement. The New Concert Party Agreement became effective on 8 April 2024, and Di Er Tong, Liu Songshan, Liu Hua, Liu Wencui, Liu Yongmei and Liu Wenli ceased to be parties acting in concert under the New Concert Party Agreement. Accordingly, pursuant to the SFO, Liu Donghai was deemed to be interested in 169,337,902 Domestic Shares held by Huafa Technology Industry Group. Liu Donghai retired as a Director with effect from 31 August 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors and Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 those interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, to the knowledge of the Directors, the following persons (other than the Directors and Chief Executive) had interests and short positions in the shares or underlying shares of the Company which fell to be noticed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and were recorded in the register to be kept by the Company pursuant to Section 336 of the SFO:

| Name of shareholder  | Type of shares  | Nature of interests                | Number of shares/<br>underlying shares<br>held (long position/<br>short position/<br>lending pool) | Percentage of<br>the relevant<br>class of share<br>capital (%)<br>(Note 1) | Percentage of<br>the total share<br>capital (%)<br>(Note 1) |
|----------------------|-----------------|------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
| Liu Yongmei (Note 2) | Domestic Shares | Interest of controlled corporation | 168,362,098 (long position)                                                                        | 49.86                                                                      | 18.99                                                       |
|                      |                 | Person acting in concert           | 169,337,902 (long position)                                                                        | 50.14                                                                      | 19.10                                                       |
| Liu Hua (Note 2)     | Domestic Shares | Interest of controlled corporation | 168,362,098 (long position)                                                                        | 49.86                                                                      | 18.99                                                       |
|                      |                 | Person acting in concert           | 169,337,902 (long position)                                                                        | 50.14                                                                      | 19.10                                                       |

## OTHER INFORMATION *(Continued)*

| Name of shareholder                                                                                                         | Type of shares  | Nature of interests                | Number of shares/<br>underlying shares<br>held (long position/<br>short position/<br>lending pool) | Percentage of<br>the relevant<br>class of share<br>capital (%)<br><i>(Note 1)</i> | Percentage of<br>the total share<br>capital (%)<br><i>(Note 1)</i> |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Liu Wenli <i>(Note 2)</i>                                                                                                   | Domestic Shares | Interest of controlled corporation | 168,362,098 (long position)                                                                        | 49.86                                                                             | 18.99                                                              |
|                                                                                                                             |                 | Person acting in concert           | 169,337,902 (long position)                                                                        | 50.14                                                                             | 19.10                                                              |
| Liu Wencui <i>(Note 2)</i>                                                                                                  | Domestic Shares | Interest of controlled corporation | 168,362,098 (long position)                                                                        | 49.86                                                                             | 18.99                                                              |
|                                                                                                                             |                 | Person acting in concert           | 169,337,902 (long position)                                                                        | 50.14                                                                             | 19.10                                                              |
| Liu Songshan <i>(Note 2)</i>                                                                                                | Domestic Shares | Person acting in concert           | 337,700,000 (long position)                                                                        | 100.00                                                                            | 38.09                                                              |
| Di Er Tong <i>(Note 2)</i>                                                                                                  | Domestic Shares | Person acting in concert           | 337,700,000 (long position)                                                                        | 100.00                                                                            | 38.09                                                              |
| Digital Science & Technology<br><i>(Note 2)</i>                                                                             | Domestic Shares | Beneficial owner                   | 168,362,098 (long position)                                                                        | 49.86                                                                             | 18.99                                                              |
|                                                                                                                             |                 | Person acting in concert           | 169,337,902 (long position)                                                                        | 50.14                                                                             | 19.10                                                              |
| Huafa Technology Industry<br>Group <i>(Note 3)</i>                                                                          | Domestic Shares | Beneficial owner                   | 169,337,902 (long position)                                                                        | 50.14                                                                             | 19.10                                                              |
|                                                                                                                             |                 | Person acting in concert           | 168,362,098 (long position)                                                                        | 49.86                                                                             | 18.99                                                              |
| Zhuhai Science and<br>Technology Industry Group<br>Co., Ltd. (“ <b>Zhuhai Science<br/>and Technology</b> ”) <i>(Note 3)</i> | Domestic Shares | Interest of controlled corporation | 337,700,000 (long position)                                                                        | 100.00                                                                            | 38.09                                                              |
| Zhuhai Huafa Group Company<br>Limited (“ <b>Zhuhai Huafa</b> ”) <i>(Notes 3 and 4)</i>                                      | Domestic Shares | Interest of controlled corporation | 337,700,000 (long position)                                                                        | 100.00                                                                            | 38.09                                                              |
|                                                                                                                             | H Shares        | Interest of controlled corporation | 327,057,912 (long position)                                                                        | 59.60                                                                             | 36.90                                                              |
| Hong Kong Huafa Investment<br>Holdings Limited (“ <b>Hong<br/>Kong Huafa</b> ”) <i>(Note 4)</i>                             | H Shares        | Interest of controlled corporation | 327,057,912 (long position)                                                                        | 59.60                                                                             | 36.90                                                              |
| Dixintong Holdings Company<br>Limited (“ <b>Dixintong<br/>Holdings</b> ”) <i>(Note 4)</i>                                   | H Shares        | Beneficial owner                   | 327,057,912 (long position)                                                                        | 59.60                                                                             | 36.90                                                              |
| Dawn Galaxy International<br>Limited <i>(Note 5)</i>                                                                        | H Shares        | Beneficial owner                   | 42,000,000 (long position)                                                                         | 7.65                                                                              | 4.74                                                               |
| YBN Investments Limited<br><i>(Note 6)</i>                                                                                  | H Shares        | Beneficial owner                   | 77,000,000 (long position)                                                                         | 14.03                                                                             | 8.69                                                               |

## OTHER INFORMATION *(Continued)*

| Name of shareholder                         | Type of shares | Nature of interests                | Number of shares/<br>underlying shares<br>held (long position/<br>short position/<br>lending pool) | Percentage of<br>the relevant<br>class of share<br>capital (%)<br>(Note 1) | Percentage of<br>the total share<br>capital (%)<br>(Note 1) |
|---------------------------------------------|----------------|------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|
| YBN International Holdings Limited (Note 6) | H Shares       | Interest of controlled corporation | 77,000,000 (long position)                                                                         | 14.03                                                                      | 8.69                                                        |
| Unicorn Link Group Limited (Note 7)         | H Shares       | Beneficial owner                   | 77,000,000 (long position)                                                                         | 14.03                                                                      | 8.69                                                        |
| Field Wealth Limited (Note 7)               | H Shares       | Interest of controlled corporation | 77,000,000 (long position)                                                                         | 14.03                                                                      | 8.69                                                        |
| Yeung Wan Yiu (Note 7)                      | H Shares       | Interest of controlled corporation | 77,000,000 (long position)                                                                         | 14.03                                                                      | 8.69                                                        |

### Notes:

- The percentage is calculated with the total number of 886,460,400 shares of the Company in issue as at 30 June 2026, comprising 337,700,000 Domestic Shares and 548,760,400 H Shares.
- As at 30 June 2026, Digital Science & Technology directly held 168,362,098 Domestic Shares, and the Liu Family jointly held the entire equity interest in Digital Science & Technology. Accordingly, pursuant to the SFO, the Liu Family are deemed to be interested in 168,362,098 Domestic Shares held by Digital Science & Technology. In addition, Huafa Technology Industry Group, Digital Science & Technology and Liu Donghai entered into the New Concert Party Agreement. Accordingly, pursuant to the SFO, (i) Liu Donghai is deemed to be interested in 168,362,098 Domestic Shares held by Digital Science & Technology and 169,337,902 Domestic Shares held by Huafa Technology Industry Group; and (ii) each of Liu Songshan, Liu Hua, Liu Wencui, Liu Yongmei and Liu Wenli was deemed to be interested in 337,700,000 Domestic Shares held by Digital Science & Technology.

Given that the Original Concert Party Agreement has been expired on 7 April 2024, each of Di Er Tong, Liu Songshan, Liu Hua, Liu Wencui, Liu Yongmei and Liu Wenli was no longer a concert party under the New Concert Party Agreement, and Di Er Tong ceased to have a notifiable interest pursuant to Divisions 2 and 3 of Part XV of the SFO as Di Er Tong ceased to be a member of a concert party group under the New Concert Party Agreement. However, as there was no notification by Di Er Tong to cease to have a notifiable interest pursuant to Divisions 2 and 3 of Part XV of the SFO after the relevant event and as recorded in the register to be kept by the Company pursuant to Section 336 of the SFO, Di Er Tong remained registered as a substantial shareholder of the Company as at 30 June 2026.

- Huafa Technology Industry Group directly held 169,337,902 Domestic Shares. In addition, Huafa Technology Industry Group entered into a New Concert Party Agreement with Digital Science & Technology and Liu Donghai on 8 April 2024. Accordingly, pursuant to the SFO, Huafa Technology Industry Group is deemed to be interested in 168,362,098 Domestic Shares held by Digital Science & Technology. Zhuhai Huafa directly holds 60% equity interest in Zhuhai Science and Technology, which in turn directly holds 85.69% equity interests in Huafa Technology Industry Group. Accordingly, pursuant to the SFO, Zhuhai Huafa and Zhuhai Science and Technology were deemed to be interested in 337,700,000 Domestic Shares held by Huafa Technology Industry Group.
- On 27 December 2024, due to the need for internal restructuring, Hong Kong Huafa transferred its 327,057,912 H Shares to Dixintong Holdings. As such, Dixintong Holdings directly held a total of 327,057,912 H Shares. Hong Kong Huafa held 100% equity interests in Dixintong Holdings, while Zhuhai Huafa directly held 100% equity interests in Hong Kong Huafa. Accordingly, pursuant to the SFO, as at 30 June 2026, both Hong Kong Huafa and Zhuhai Huafa were deemed to be interested in 327,057,912 H Shares held by Dixintong Holdings.

## OTHER INFORMATION *(Continued)*

5. To the best of the Directors' knowledge after due enquiry, following the closing of the mandatory conditional offer for H Shares on 3 June 2021, Dawn Galaxy International Limited was no longer a substantial shareholder of the Company as it had made a valid acceptance for the offer. However, as there was no notification to cease to have a notifiable interest pursuant to Divisions 2 and 3 of Part XV of the SFO after the relevant event and as recorded in the register to be kept by the Company pursuant to Section 336 of the SFO, Dawn Galaxy International Limited remained registered as a substantial shareholder of the Company as at 30 June 2026.
6. To the best of the Directors' knowledge after due enquiry, as at 30 June 2026, YBN Investments Limited directly held 77,000,000 H Shares. YBN Investments Limited was wholly owned by YBN International Holdings Limited, and accordingly, pursuant to the SFO, YBN International Holdings Limited was deemed to be interested in 77,000,000 H Shares held by YBN Investments Limited.
7. To the best of the Directors' knowledge after due enquiry, as at 30 June 2026, Unicorn Link Group Limited directly held 77,000,000 H Shares, and Field Wealth Limited wholly owns Unicorn Link Group Limited. Field Wealth Limited was wholly owned by Yeung Wan Yiu. Accordingly, pursuant to the SFO, Field Wealth Limited and Yeung Wan Yiu were deemed to be interested in 77,000,000 H Shares held by Unicorn Link Group Limited.

Save as disclosed above, as at 30 June 2026, there was no other person (other than the Directors and Chief Executive) to the Directors' knowledge who had any interests or short positions in the shares or underlying shares of the Company which fell to be noticed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which have been recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

## PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 28 January 2021, Digital Science & Technology pledged 63,270,000 Domestic Shares (representing approximately 8.60% of the total issued shares of the Company as at 31 December 2020) to Beijing Jingdixin Technology Co., Ltd ("Jingdixin"), an investee company of the Company, as a guarantee for the delivery credit facility of approximately RMB380,000,000 provided by Jingdixin to the Company.

The pledged shares are part of the Domestic Shares which are subject to the entrustment arrangement in accordance with the Original Concert Party Agreement expired on 7 April 2024 and the New Concert Party Agreement signed on 8 April 2024, where Digital Science & Technology has entrusted all Domestic Shares held by it to Huafa Technology Industry Group, a controlling shareholder of the Company, such that Digital Science & Technology and Mr. Liu Donghai shall continue to take concerted action with and act in accordance with the will of Huafa Technology Industry Group for certain matters of the Company.

## EQUITY-LINKED AGREEMENT

During the reporting period, the Group neither entered into any agreements in relation to equity-linked products nor participated in any arrangement to purchase equity-linked wealth management products.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, during the six months ended 30 June 2026, neither the Company nor its subsidiaries was a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of any shares or debentures in the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity in or debt securities of the Company or any other body corporate or had exercised any such right.

## OTHER INFORMATION *(Continued)*

### CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules 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 had served as the chairwoman and president of the Company until 31 August 2026. The position of the president has the same roles and responsibilities as the chief executive officer but with a different job title. The Board is of the view that it is appropriate and in the best interests of the Company that Ms. Xu Jili holds both positions as it helps to maintain 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 Jili. Accordingly, the Board believes that such arrangement will not affect the balance of power and authority between the Board and management of the Company. Subsequent to Ms. Xu Jili’s retirement from the Board on 31 August 2026, Ms. Xu Liping was elected as the chairwoman of the Company, and Mr. Liu Liang was appointed as the president of the Company. The aforementioned changes were effective from 31 August 2026, after which Ms. Xu Liping and Mr. Liu Liang respectively assumed the duties of chairwoman and president. Consequently, the Company has fully complied with code provision C.2.1 of Part 2 of the CG Code since 31 August 2026.

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 as its own code of conduct regarding Directors’ securities transactions. 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 of 30 June 2026, the Company did not hold any treasury shares.

### AUDIT COMMITTEE

The Board has established an audit committee (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 and this interim report.

## OTHER INFORMATION *(Continued)*

### CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND CHIEF EXECUTIVE

Subsequent to the extraordinary general meeting of the Company held on 31 August 2026 (the “EGM”), Ms. Xu Liping and Mr. Liu Liang were appointed as executive Directors of the sixth session of the Board. Ms. Pan Anran, Mr. Liu Jinyi and Mr. Liu Songshan were appointed as non-executive Directors of the sixth session of the Board. Mr. Lv Tingjie, Mr. Cai Chun Fai and Mr. Liu Zhiyong were appointed as independent non-executive Directors of the sixth session of the Board.

The employees of the Company have elected Ms. Chen Yuan as an employee representative Director of the sixth session of the Board and an executive Director at the staff meeting of the Company held on 5 August 2026. Ms. Chen Yuan, together with the aforesaid Directors appointed at the EGM, will form the sixth session of the Board.

Due to the election of the new session of the Board, Ms. Xu Jili, Mr. Liu Donghai, Mr. Jia Zhaojie and Mr. Lv Pingbo has accordingly retired as a Director and no longer served any position in the Board committees of the Company with effect from 31 August 2026. For further details, please refer to the Company’s announcement dated 31 August 2026 in relation to the poll results of the EGM.

Save as disclosed above and as at the date of this report, there is no change in any information of the Directors and Chief Executive which was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### ACKNOWLEDGEMENT

The Company would like to express its sincere gratitude to its customers and shareholders for their continued support and trust, and would like to take this opportunity to thank the Board, the management team and staff of the Group for their outstanding contributions and tireless efforts.

By order of the Board  
**Xu Jili** (retired with effect from 31 August 2026)  
*Chairwoman*

Beijing, 28 August 2026

# 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                 |
|                                                                                     | Notes | Unaudited<br>RMB'000             | Unaudited<br>RMB'000 |
| <b>REVENUE</b>                                                                      | 5     | <b>8,574,871</b>                 | 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                |
| <b>LOSS BEFORE TAX</b>                                                              | 6     | <b>(107,243)</b>                 | (72,221)             |
| Income tax expense                                                                  | 7     | (1,300)                          | (1,201)              |
| <b>LOSS FOR THE PERIOD</b>                                                          |       | <b>(108,543)</b>                 | (73,422)             |
| Attributable to:                                                                    |       |                                  |                      |
| Owners of the parent                                                                |       | (108,372)                        | (76,644)             |
| Non-controlling interests                                                           |       | (171)                            | 3,222                |
|                                                                                     |       | (108,543)                        | (73,422)             |
| <b>LOSS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF<br/>THE PARENT</b> |       |                                  |                      |
| Basic and diluted (RMB/share)                                                       |       |                                  |                      |
| For loss for the period                                                             | 8     | (0.12)                           | (0.09)               |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 June 2026

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



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

|                                                                                   |       | 30 June<br>2026<br>Unaudited<br>RMB'000 | 31 December<br>2025<br>Audited<br>RMB'000 |
|-----------------------------------------------------------------------------------|-------|-----------------------------------------|-------------------------------------------|
|                                                                                   | Notes |                                         |                                           |
| <b>NON-CURRENT ASSETS</b>                                                         |       |                                         |                                           |
| Property, plant and equipment                                                     | 9     | 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<br>through other comprehensive income |       | 25,383                                  | 25,383                                    |
| Total non-current assets                                                          |       | 264,293                                 | 299,398                                   |
| <b>CURRENT ASSETS</b>                                                             |       |                                         |                                           |
| Inventories                                                                       |       | 748,589                                 | 481,179                                   |
| Trade and bills receivables                                                       | 10    | 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                                                                  | 11    | 1,882,290                               | 2,349,454                                 |
| Cash and cash equivalents                                                         | 11    | 1,845,646                               | 1,844,225                                 |
| Total current assets                                                              |       | 6,840,068                               | 7,060,742                                 |
| <b>CURRENT LIABILITIES</b>                                                        |       |                                         |                                           |
| Trade and bills payables                                                          | 13    | 49,902                                  | 210,416                                   |
| Other payables and accruals                                                       |       | 1,469,175                               | 1,220,498                                 |
| Interest-bearing bank and other borrowings                                        | 12    | 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                                 |
| <b>NET CURRENT LIABILITIES</b>                                                    |       | <b>(1,354,428)</b>                      | <b>(1,457,052)</b>                        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                      |       | <b>(1,090,135)</b>                      | <b>(1,157,654)</b>                        |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

30 June 2026

|                                                     |       | 30 June<br>2026<br>Unaudited<br>RMB'000 | 31 December<br>2025<br>Audited<br>RMB'000 |
|-----------------------------------------------------|-------|-----------------------------------------|-------------------------------------------|
|                                                     | Notes |                                         |                                           |
| <b>NON-CURRENT LIABILITIES</b>                      |       |                                         |                                           |
| Interest-bearing bank and other borrowings          | 12    | 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                                   |
|                                                     |       |                                         |                                           |
| <b>NET LIABILITIES</b>                              |       | <b>(1,482,448)</b>                      | <b>(1,374,450)</b>                        |
|                                                     |       |                                         |                                           |
| <b>EQUITY</b>                                       |       |                                         |                                           |
| <b>Equity attributable to owners of the parent:</b> |       |                                         |                                           |
| Issued capital                                      | 14    | 886,460                                 | 886,460                                   |
| Reserves                                            |       | (3,750,678)                             | (3,642,851)                               |
|                                                     |       |                                         |                                           |
|                                                     |       | (2,864,218)                             | (2,756,391)                               |
| <b>Non-controlling interests</b>                    |       | <b>1,381,770</b>                        | <b>1,381,941</b>                          |
|                                                     |       |                                         |                                           |
| <b>TOTAL EQUITY</b>                                 |       | <b>(1,482,448)</b>                      | <b>(1,374,450)</b>                        |



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

|                                                           | Attributable to owners of the parent |                 |                             |                         |                  |                                                                                         |                              |             |                           |              |
|-----------------------------------------------------------|--------------------------------------|-----------------|-----------------------------|-------------------------|------------------|-----------------------------------------------------------------------------------------|------------------------------|-------------|---------------------------|--------------|
|                                                           | Share capital                        | Capital reserve | Share-based payment reserve | Statutory reserve funds | Retained profits | Fair value reserve of financial assets at fair value through other comprehensive income | Exchange fluctuation reserve | Total       | Non-controlling interests | Total equity |
|                                                           | RMB'000                              | RMB'000         | RMB'000                     | RMB'000                 | RMB'000          | RMB'000                                                                                 | RMB'000                      | RMB'000     | RMB'000                   | RMB'000      |
| <b>Six months ended 30 June 2026:</b>                     |                                      |                 |                             |                         |                  |                                                                                         |                              |             |                           |              |
| At 31 December 2025 (Audited)                             | 886,460                              | 736,429         | 25,295                      | 356,989                 | (4,706,558)      | (34,670)                                                                                | (20,336)                     | (2,756,391) | 1,381,941                 | (1,374,450)  |
| (Loss) for the period                                     | –                                    | –               | –                           | –                       | (108,372)        | –                                                                                       | –                            | (108,372)   | (171)                     | (108,543)    |
| Other comprehensive income for the period:                |                                      |                 |                             |                         |                  |                                                                                         |                              |             |                           |              |
| Exchange differences on translation of foreign operations | –                                    | –               | –                           | –                       | –                | –                                                                                       | –                            | –           | –                         | –            |
| Share of other comprehensive income of a joint venture    | –                                    | –               | –                           | –                       | –                | –                                                                                       | 545                          | 545         | –                         | 545          |
| Total comprehensive (loss) for the period                 | –                                    | –               | –                           | –                       | (108,372)        | –                                                                                       | 545                          | (107,827)   | (171)                     | (107,998)    |
| At 30 June 2026 (Unaudited)                               | 886,460                              | 736,429         | 25,295                      | 356,989                 | (4,814,930)      | (34,670)                                                                                | (19,791)                     | (2,864,218) | 1,381,770                 | (1,482,448)  |

|                                                           | Attributable to owners of the parent |                 |                             |                         |                  |                                                                                         |                              |             |                           |              |
|-----------------------------------------------------------|--------------------------------------|-----------------|-----------------------------|-------------------------|------------------|-----------------------------------------------------------------------------------------|------------------------------|-------------|---------------------------|--------------|
|                                                           | Share capital                        | Capital reserve | Share-based payment reserve | Statutory reserve funds | Retained profits | Fair value reserve of financial assets at fair value through other comprehensive income | Exchange fluctuation reserve | Total       | Non-controlling interests | Total equity |
|                                                           | RMB'000                              | RMB'000         | RMB'000                     | RMB'000                 | RMB'000          | RMB'000                                                                                 | RMB'000                      | RMB'000     | RMB'000                   | RMB'000      |
| <b>Six months ended 30 June 2025:</b>                     |                                      |                 |                             |                         |                  |                                                                                         |                              |             |                           |              |
| At 31 December 2024 (Audited)                             | 886,460                              | 736,429         | 25,295                      | 313,765                 | (3,223,779)      | (36,489)                                                                                | (21,719)                     | (1,320,038) | 1,411,296                 | 91,258       |
| (Loss) for the period                                     | –                                    | –               | –                           | –                       | (76,644)         | –                                                                                       | –                            | (76,644)    | 3,222                     | (73,422)     |
| Other comprehensive income for the period:                |                                      |                 |                             |                         |                  |                                                                                         |                              |             |                           |              |
| Exchange differences on translation of foreign operations | –                                    | –               | –                           | –                       | –                | –                                                                                       | –                            | –           | –                         | –            |
| Share of other comprehensive income of a joint venture    | –                                    | –               | –                           | –                       | –                | –                                                                                       | 51                           | 51          | –                         | 51           |
| Total comprehensive (loss) for the period                 | –                                    | –               | –                           | –                       | (76,644)         | –                                                                                       | 51                           | (76,593)    | 3,222                     | (73,371)     |
| At 30 June 2025 (Unaudited)                               | 886,460                              | 736,429         | 25,295                      | 313,765                 | (3,300,423)      | (36,489)                                                                                | (21,668)                     | (1,396,631) | 1,414,518                 | 17,887       |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

|                                                                            | For the six months ended 30 June |                 |
|----------------------------------------------------------------------------|----------------------------------|-----------------|
|                                                                            | 2026                             | 2025            |
|                                                                            | Unaudited                        | Unaudited       |
|                                                                            | RMB'000                          | RMB'000         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |                                  |                 |
| (Loss) before tax                                                          | (107,243)                        | (72,221)        |
| Adjustments for:                                                           |                                  |                 |
| Finance costs                                                              | 85,928                           | 96,104          |
| Interest income                                                            | (24,579)                         | (36,304)        |
| Share of profits and losses of joint ventures and associates               | 2,512                            | (3,339)         |
| Impairment and write-down of trade receivables                             | 2,814                            | 11,725          |
| Impairment and write-down of other receivables                             | 23,799                           | 10,399          |
| (Reversal) of amounts due from related parties                             | (17,235)                         | (2,975)         |
| Impairment/(reversal) of inventories                                       | 962                              | (129)           |
| Fair value (gain) on financial assets at fair value through profit or loss | —                                | (1,251)         |
| Depreciation of property, plant and equipment                              | 11,181                           | 7,663           |
| Depreciation of right-of-use assets                                        | 63,130                           | 58,749          |
| Amortisation of intangible assets                                          | 210                              | 209             |
| Loss on disposal of items of property, plant and equipment                 | 16                               | —               |
| (Increase) in trade and bills receivables                                  | (38,775)                         | (120,167)       |
| (Increase)/decrease in prepayments, other receivables and other assets     | (81,457)                         | 141,304         |
| (Increase) in inventories                                                  | (268,373)                        | (55,437)        |
| (Decrease) in trade and bills payables                                     | (161,528)                        | (504,729)       |
| Increase in other payables and accruals                                    | 293,701                          | 303,411         |
| Decrease in amounts due from related parties                               | 87,786                           | 104,724         |
| (Decrease) in amounts due to related parties                               | (56,174)                         | (10,511)        |
| Cash (used in) operations                                                  | (183,325)                        | (72,775)        |
| Income tax paid                                                            | (1,300)                          | (1,201)         |
| <b>NET CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>                       | <b>(184,625)</b>                 | <b>(73,976)</b> |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 June 2026

|                                                                  | For the six months ended 30 June |                    |
|------------------------------------------------------------------|----------------------------------|--------------------|
|                                                                  | 2026                             | 2025               |
|                                                                  | Unaudited                        | Unaudited          |
|                                                                  | RMB'000                          | RMB'000            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                                  |                    |
| Purchases of items of property, plant and equipment              | (6,494)                          | (27,892)           |
| Proceeds from disposal of items of property, plant and equipment | 338                              | 362                |
| Sale of financial products by bank                               | 21,000                           | 10,000             |
| Interest received                                                | 161                              | 1,251              |
| <b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>        | <b>15,005</b>                    | <b>(16,279)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |                                  |                    |
| New bank loans                                                   | 3,408,240                        | 4,309,790          |
| Loan from related parties                                        | 915,000                          | 693,000            |
| Decrease/(increase) in pledged deposits                          | 410,058                          | (1,044,596)        |
| Repayment of bank loans and other borrowings                     | (3,197,963)                      | (3,060,723)        |
| Repayment of loan from related parties                           | (1,230,800)                      | (2,283,000)        |
| Principal portion of lease payments                              | (51,926)                         | (60,534)           |
| Interest paid                                                    | (81,567)                         | (92,811)           |
| <b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>        | <b>171,042</b>                   | <b>(1,538,874)</b> |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>      | <b>1,422</b>                     | <b>(1,629,129)</b> |
| Cash and cash equivalents at the beginning of the period         | 1,844,224                        | 3,309,730          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>        | <b>1,845,646</b>                 | <b>1,680,601</b>   |

# 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.

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#### 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          |
| <b>Types of goods or services</b>                                          |                          |                  |
| 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          |
| <b>Total revenue from contracts with customers</b>                         | <b>8,574,871</b>         | <b>8,219,463</b> |

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

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**5. REVENUE, OTHER INCOME AND GAINS (Continued)****(a) Revenue (Continued)**

An analysis of revenue is as follows: (Continued)

*Segments (Continued)*

|                                             | <b>For the six months ended<br/>30 June</b> |                  |
|---------------------------------------------|---------------------------------------------|------------------|
|                                             | <b>2026</b>                                 | <b>2025</b>      |
|                                             | <b>Unaudited</b>                            | <b>Unaudited</b> |
|                                             | <b>RMB'000</b>                              | <b>RMB'000</b>   |
| <b>Timing of revenue recognition</b>        |                                             |                  |
| 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        |
| <b>Geographical market</b>                  |                                             |                  |
| 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**

|                              | <b>For the six months ended<br/>30 June</b> |                  |
|------------------------------|---------------------------------------------|------------------|
|                              | <b>2026</b>                                 | <b>2025</b>      |
|                              | <b>Unaudited</b>                            | <b>Unaudited</b> |
|                              | <b>RMB'000</b>                              | <b>RMB'000</b>   |
| <b>Other income</b>          |                                             |                  |
| 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.

30 June 2026

## 6. LOSS BEFORE TAX

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

|                                                                             | For the six months ended<br>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<br>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<br>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.

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## 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<br>30 June |             |
|------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------|
|                                                                                                            | 2026                                | 2025        |
|                                                                                                            | Unaudited                           | Unaudited   |
|                                                                                                            | RMB'000                             | RMB'000     |
| <b>Loss</b>                                                                                                |                                     |             |
| Loss attributable to ordinary equity holders of the parent<br>used in the basic loss per share calculation | (108,372)                           | (76,644)    |
|                                                                                                            |                                     |             |
|                                                                                                            | Number of shares                    |             |
|                                                                                                            | 2026                                | 2025        |
| <b>Shares</b>                                                                                              |                                     |             |
| Weighted average number of ordinary shares                                                                 | 886,460,400                         | 886,460,400 |

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment with a cost of RMB6,494,000 (for the six months ended 30 June 2025: RMB27,892,000).

Property, plant and equipment with a net book value of RMB355,000 were disposed of by the Group during the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB515,000), resulting in a net loss on disposal of RMB16,000 (for the six months ended 30 June 2025: a net loss on disposal of RMB153,000).

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**10. TRADE AND BILLS RECEIVABLES**

|                                       | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|---------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| 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:

|               | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|---------------|---------------------------------------------------|-----------------------------------------------------|
| 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                                             |

30 June 2026

**11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS**

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprised of the following:

|                                               | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|-----------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| Cash and bank balances                        | <b>1,845,646</b>                                  | 1,844,225                                           |
| Pledged time deposits                         | <b>1,882,290</b>                                  | 2,349,454                                           |
|                                               | <b>3,727,936</b>                                  | 4,193,679                                           |
| Less: Pledged time deposits                   |                                                   |                                                     |
| Pledged for bank acceptance notes             | <b>1,497,570</b>                                  | 2,345,644                                           |
| Other pledged deposits                        | <b>384,720</b>                                    | 3,810                                               |
|                                               | <b>1,845,646</b>                                  | 1,844,225                                           |
| Cash and cash equivalents, denominated in RMB | <b>1,845,646</b>                                  | 1,844,225                                           |

**12. INTEREST-BEARING BANK AND OTHER BORROWINGS**

|                                      | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|--------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| <b>Current</b>                       |                                                   |                                                     |
| <b>Bank loans:</b>                   |                                                   |                                                     |
| Unsecured, repayable within one year | <b>4,163,891</b>                                  | 4,118,700                                           |
| Secured, repayable within one year   | <b>2,436,850</b>                                  | 1,785,469                                           |
| <b>Other loans:</b>                  |                                                   |                                                     |
| Unsecured, repayable within one year | —                                                 | 270,000                                             |
| Secured, repayable within one year   | —                                                 | 814,300                                             |
|                                      | <b>6,600,741</b>                                  | 6,988,469                                           |
| <b>Non-current</b>                   |                                                   |                                                     |
| Unsecured, repayable after one year  | <b>319,600</b>                                    | 124,800                                             |
|                                      | <b>6,920,341</b>                                  | 7,113,269                                           |

Note (a): The bank and other loans bear interest at rates ranging from 0.56% to 3.60% (2025: 0.65% to 4.50%) per annum.

Note (b): The Group's bank loans are secured by pledged deposits, which had an aggregate carrying value of RMB1,900,000,000 (2025: RMB2,300,000,000).

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**13. TRADE AND BILLS PAYABLES**

|                | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|----------------|---------------------------------------------------|-----------------------------------------------------|
| Trade payables | <b>49,902</b>                                     | 121,266                                             |
| Bills payables | —                                                 | 89,150                                              |
| Total          | <b>49,902</b>                                     | 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:

|                 | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|-----------------|---------------------------------------------------|-----------------------------------------------------|
| Within 90 days  | <b>28,569</b>                                     | 158,021                                             |
| 91 to 180 days  | <b>10,654</b>                                     | 8,238                                               |
| 181 to 365 days | <b>8,678</b>                                      | 12,965                                              |
| Over one year   | <b>2,001</b>                                      | 31,192                                              |
| Total           | <b>49,902</b>                                     | 210,416                                             |

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

**14. SHARE CAPITAL**

|                                                                                                              | <b>30 June<br/>2026<br/>Unaudited<br/>RMB'000</b> | <b>31 December<br/>2025<br/>Audited<br/>RMB'000</b> |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| Registered, issued and fully paid:<br>886,460,400 ordinary shares of RMB1 each<br>(2025: 886,460,400 shares) | <b>886,460</b>                                    | 886,460                                             |

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**15. CONTINGENCY**

At the end of the reporting period, the Group had no material contingencies.

**16. COMMITMENTS**

At the end of the reporting period, the Group had no significant capital commitments.

**17. RELATED PARTY TRANSACTIONS**

- (a) The Group had the following main transactions with related parties during the reporting periods. The transaction prices were determined based on prices at which the Group transacted with independent third party customers and suppliers.

|                                                                             | For the six months ended 30 June |           |
|-----------------------------------------------------------------------------|----------------------------------|-----------|
|                                                                             | 2026                             | 2025      |
|                                                                             | Unaudited                        | Unaudited |
|                                                                             | RMB'000                          | RMB'000   |
| <b>Companies controlled/significantly influenced by Zhuhai Huafa Group:</b> |                                  |           |
| Sales of goods                                                              | 114,367                          | 109,067   |
| Revenue from provision of online and offline sales and marketing services   | –                                | 51,747    |
| Financing received ( <i>Note (i)</i> )                                      | 915,000                          | 693,000   |
| Financing repaid ( <i>Note (i)</i> )                                        | 1,230,800                        | 2,283,000 |
| <hr/>                                                                       |                                  |           |
| <b>Joint ventures:</b>                                                      |                                  |           |
| Guangzhou Zhongqi Energy Technology Co., Ltd.                               |                                  |           |
| Purchases of goods                                                          | 16,911                           | 10,157    |
| Sales of goods                                                              | 40,622                           | 23,565    |

*Note (i):* The interest rate ranged from 2.15% to 4.50%, which approximates the market interest rate.

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## 17. RELATED PARTY TRANSACTIONS (Continued)

(b) Major outstanding balances with related parties:

|                                                                                 | 30 June<br>2026<br>Unaudited<br>RMB'000 | 31 December<br>2025<br>Audited<br>RMB'000 |
|---------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| <b>Trade in nature balances</b>                                                 |                                         |                                           |
| <b>Due from:</b>                                                                |                                         |                                           |
| Companies controlled/significantly influenced by Zhuhai Huafa Group (Note (ii)) | 197,952                                 | 228,843                                   |
| Guangzhou Zhongqi Energy Technology Co., Ltd.                                   | 55,692                                  | 61,145                                    |
| Other associates and joint ventures                                             | 743                                     | 1,683                                     |
| <b>Total</b>                                                                    | <b>254,387</b>                          | <b>291,671</b>                            |
| <b>Due to:</b>                                                                  |                                         |                                           |
| Companies controlled/significantly influenced by Zhuhai Huafa Group (Note (ii)) | —                                       | 15,104                                    |
| <b>Total</b>                                                                    | <b>—</b>                                | <b>15,104</b>                             |
| <b>Financing in nature balances</b>                                             |                                         |                                           |
| <b>Due to:</b>                                                                  |                                         |                                           |
| Companies controlled/significantly influenced by Zhuhai Huafa Group (Note (ii)) | 2,472,100                               | 2,787,900                                 |
| <b>Other non-trade in nature balances</b>                                       |                                         |                                           |
| <b>Due from:</b>                                                                |                                         |                                           |
| Companies controlled/significantly influenced by Zhuhai Huafa Group (Note (ii)) | 9,165                                   | 288                                       |
| Companies controlled/significantly influenced by the Liu Family                 | 300,663                                 | 300,663                                   |
| Other associates and joint ventures                                             | 4,063                                   | 1,601                                     |
| Guangzhou Zhongqi Energy Technology Co., Ltd.                                   | 5,283                                   | 129                                       |
| <b>Total</b>                                                                    | <b>319,174</b>                          | <b>302,681</b>                            |
| <b>Due to:</b>                                                                  |                                         |                                           |
| Companies controlled/significantly influenced by the Liu Family                 | 256,426                                 | 254,717                                   |
| <b>Total</b>                                                                    | <b>256,426</b>                          | <b>254,717</b>                            |

Note (ii): Other than the loan from Huajin International Commercial Factoring (Zhuhai) Co., Ltd. and Zhuhai Huafa Group Finance Co., Ltd., all other related party balances are unsecured, interest free, and payable on demand.

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## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of cash and cash equivalents, pledged deposits, financial assets at fair value through profit or loss, trade receivables, financial assets included in prepayments, other receivables and other assets, amounts due from related parties, the current portion of interest-bearing bank and other borrowings, trade and bills payables, financial liabilities included in other payables and accruals, and amounts due to related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current portion of lease liabilities and interest-bearing loans and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2026 were assessed to be insignificant.

The fair values of unlisted equity investments which had recent history of share transactions are based on observable market transaction prices. The fair values of other unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to sales (EV/Sales) multiple and price to book value (P/B) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

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## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

|                                                                                | Fair value measurement using              |                                         |                                           |         |
|--------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|---------|
|                                                                                | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total   |
|                                                                                | RMB'000                                   | RMB'000                                 | RMB'000                                   | RMB'000 |
| Equity investments designated at fair value through other comprehensive income | —                                         | —                                       | 25,383                                    | 25,383  |
| Financial assets at fair value through profit or loss                          | —                                         | —                                       | —                                         | —       |
| Bills receivable                                                               | —                                         | 143                                     | —                                         | 143     |
|                                                                                | —                                         | 143                                     | 25,383                                    | 25,526  |

As at 31 December 2025

|                                                                                | Fair value measurement using              |                                         |                                           |         |
|--------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|---------|
|                                                                                | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total   |
|                                                                                | RMB'000                                   | RMB'000                                 | RMB'000                                   | RMB'000 |
| Equity investments designated at fair value through other comprehensive income | —                                         | —                                       | 25,383                                    | 25,383  |
| Financial assets at fair value through profit or loss                          | —                                         | 21,000                                  | —                                         | 21,000  |
| Bills receivable                                                               | —                                         | 4,558                                   | —                                         | 4,558   |
|                                                                                | —                                         | 25,558                                  | 25,383                                    | 50,941  |

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## 19. DIVIDENDS

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

## 20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 28 August 2026.

