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

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6188)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Reference is made to the annual report of Beijing Digital Telecom Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2023 (the “**Annual Report**”) published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 29 April 2024. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report.

In addition to the information provided in the Annual Report, the Company would like to further inform the shareholders and potential investors of the Company the following information:

IMPAIRMENT LOSS ON OTHER RECEIVABLES

The Company recognised an impairment loss on other receivables of approximately RMB263,481,000 for the year ended 31 December 2023, comprising of (i) the impairment loss on other receivables of the Group due from third-party franchisees, suppliers and customers (the “**Other Receivables due from Third Parties**”) in an amount of approximately RMB253,564,000 and (ii) the impairment loss on the rental and other deposits (the “**Deposits**”) of the Group in an amount of approximately RMB9,917,000.

Other Receivables due from Third Parties

The Group conducted the impairment assessment of the Other Receivables due from Third Parties by applying the simplified approach prescribed by International Financial Reporting Standards (“**IFRS**”) 9 to determine the potential credit losses by using the lifetime expected loss provision for the Other Receivables due from Third Parties. The Group assessed the impairment loss for the Other Receivables due from Third Parties which (i) were guaranteed by the Former Controlling Shareholders (the “**Guaranteed Other Receivables**”) and (ii) were not guaranteed by the Former Controlling Shareholders (the “**Non-Guaranteed Other Receivables**”).

Guaranteed Other Receivables

As disclosed in the Annual Report, the Former Controlling Shareholders agreed to collect and provide guarantees for the collection of certain trade receivables and the Guaranteed Other Receivables in an aggregate amount of approximately RMB2.23 billion. The guarantees are secured by certain assets pledged by the Former Controlling Shareholders, and the general personal guarantee of Mr. Liu Donghai (one of the Former Controlling Shareholders).

For the Guaranteed Other Receivables, the Group first applied the simplified approach prescribed by IFRS 9 to determine the potential credit losses by using the lifetime expected loss provision for the Guaranteed Other Receivables. The Group then assessed if the Former Controlling Shareholders had sufficient asset backings to cover the potential credit losses of the Guaranteed Other Receivables, and the provision for impairment was considered for the shortfall. In assessing the asset backings of the Former Controlling Shareholders, the Group considered the assets identified. For pledged assets, valuation by an external independent valuer was performed in determining the value of the assets if required. As a result, a provision for impairment loss in an amount of RMB186,127,000 was made for the Guaranteed Other Receivables as at 31 December 2023.

Non-Guaranteed Other Receivables

For the Non-Guaranteed Other Receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The provision for impairment loss in an amount of RMB339,448,000 was made for the Non-Guaranteed Other Receivables as at 31 December 2023.

Set out below is the information about the credit risk exposure on the Other Receivables due from Third Parties using a provision matrix as at 31 December 2023:

As at 31 December 2023

		Ageing		
	Less than 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	11.33%	45.96%	27.98% <i>(Note)</i>	31.59%
Gross carrying amount <i>(RMB'000)</i>	100,108	426,247	1,137,527	1,663,882
Expected credit losses <i>(RMB'000)</i>	11,340	195,919	318,316	525,575

Note: Generally, the expected credit loss rate for the Other Receivables due from Third Parties with an ageing period for over 2 years was 100%. However, since a significant portion of the Other Receivables due from Third Parties with an ageing period for over 2 years were guaranteed by the Former Controlling Shareholders, such expected credit loss rate has been adjusted to 27.98%, after taking into account the impairment approach and analysis of the Guaranteed Other Receivables as disclosed in this announcement above with respect to such portion of the Guaranteed Other Receivables with an ageing period for over 2 years.

Given that the expected credit losses of the Other Receivables due from Third Parties have been increased from RMB272,011,000 as at 31 December 2022 to RMB525,575,000 as at 31 December 2023, the Company has recognised an impairment loss on the Other Receivables due from Third Parties of approximately RMB253,564,000 for the year ended 31 December 2023.

Deposits

The gross carrying amount of the Deposits was RMB84,114,000 as at 31 December 2023. Specific impairment provisions were made for the Deposits when the recoverability of the amount is doubtful. In general, the impairment rate of the Deposits was approximately 1%, and in some special circumstances where the Deposits were proven to be uncollectible, the impairment rate of the Deposits was 100%. As such, the provision for impairment loss in an amount of RMB9,917,000 was made for the Deposits for the year ended 31 December 2023.

The above additional information does not affect other information contained in the Annual Report. Save as disclosed in this announcement, all other information contained in the Annual Report remains unchanged.

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

Beijing, the PRC
2 September 2024

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