迪信通
D.PHONE
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)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

AUDITED FINANCIAL HIGHLIGHTS

For the year ended 31 December 2024:

The revenue of the Group amounted to RMB18,016,358,000, representing an increase of 5.08% as compared to the revenue of the Group of RMB17,145,992,000 for the year ended 31 December 2023.

The net loss attributable to owners of the parent of the Company amounted to RMB1,374,142,000, representing an increase of 118.10% as compared to the net loss attributable to owners of the parent of the Company of RMB630,045,000 for the year ended 31 December 2023.

The basic loss per Share amounted to RMB1.55/Share, as compared to the basic loss per Share of RMB0.84/Share for the year ended 31 December 2023.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

The Board (the "**Board**") of Directors (the "**Director(s)**") of Beijing Digital Telecom Co., Ltd. (the "**Company**" or "**Digital Telecom**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (together, the "**Group**" or "**we**") for the year ended 31 December 2024 together with the audited comparable figures for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
REVENUE	*3*	**18,016,358**	17,145,992
Cost of sales		**(17,345,447)**	(16,364,641)
Gross profit		**670,911**	781,351
Other income and gains	*3*	**132,805**	134,953
Selling and distribution expenses		**(411,209)**	(395,605)
Administrative expenses		**(184,919)**	(204,999)
Impairment losses on financial assets		**(1,415,066)**	(709,312)
Other expenses		**(25,820)**	(79,327)
Finance costs		**(173,908)**	(179,827)
Share of profits/(losses) of:			
Joint ventures		**1,739**	(4,026)
Associates		**1,284**	(4,288)
LOSS BEFORE TAX		**(1,404,183)**	(661,080)
Income tax expenses	*4*	**(2,031)**	(4,945)
LOSS FOR THE YEAR		**(1,406,214)**	(666,025)
Attributable to:			
Owners of the parent		**(1,374,142)**	(630,045)
Non-controlling interests		**(32,072)**	(35,980)
		(1,406,214)	(666,025)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted *(RMB)*			
For loss for the year	*6*	**(1.55)**	(0.84)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(1,406,214)**	(666,025)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(6)**	4,768
Share of other comprehensive loss of joint ventures	**(4,343)**	(2,090)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(4,349)**	2,678
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**2,218**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**2,218**	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(2,131)**	2,678
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(1,408,345)**	(663,347)
Attributable to:		
Owners of the parent	**(1,376,273)**	(627,367)
Non-controlling interests	**(32,072)**	(35,980)
	(1,408,345)	(663,347)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**46,987**	46,425
Right-of-use assets		**194,829**	209,061
Other intangible assets		**1,857**	1,393
Investments in joint ventures		**29,174**	31,777
Investments in associates		**38,647**	38,065
Equity investments designated at fair value through other comprehensive income		**22,957**	20,000
Total non-current assets		**334,451**	346,721
CURRENT ASSETS			
Inventories		**386,526**	331,484
Trade and bills receivables	*7*	**1,510,741**	2,043,052
Prepayments, other receivables and other assets	*8*	**1,363,993**	1,953,808
Financial assets at fair value through profit or loss		**204,466**	443,377
Due from related parties		**1,150,994**	698,840
Pledged deposits		**2,135,073**	1,797,640
Cash and cash equivalents		**3,309,731**	717,266
Total current assets		**10,061,524**	7,985,467
CURRENT LIABILITIES			
Trade and bills payables	*9*	**927,001**	413,067
Other payables and accruals		**470,484**	651,229
Interest-bearing bank and other borrowings		**3,662,093**	3,965,644
Lease liabilities		**95,162**	44,120
Due to related parties		**4,946,004**	3,015,159
Tax payable		**26,718**	27,996
Total current liabilities		**10,127,462**	8,117,215
NET CURRENT LIABILITIES		**(65,938)**	(131,748)
TOTAL ASSETS LESS CURRENT LIABILITIES		**268,513**	214,973

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 December 2024

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**72,800**	–
Deferred tax liabilities	**842**	333
Lease liabilities	**103,613**	170,660
Total non-current liabilities	**177,255**	170,993
NET ASSETS	**91,258**	43,980
EQUITY		
Equity attributable to owners of the parent		
Share capital	**886,460**	886,460
Reserves	**(2,206,498)**	(815,848)
	(1,320,038)	70,612
Non-controlling interests	**1,411,296**	(26,632)
TOTAL EQUITY	**91,258**	43,980

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

31 December 2024

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, China.

During the year, 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 "**New Controlling Shareholders**", or the "**Controlling Shareholders**"), the former controlling shareholders of the Company (the "**Former Controlling Shareholders**") 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.

As at 31 December 2024, Huafa Group held approximately 56.00% of the Company's equity interest 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 right of the Company.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 December 2024, the Group had net current liabilities of RMB65,938,000 (2023: net current liabilities of RMB131,748,000). In view of this, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance, including the revolving credit facility of RMB5 billion granted by Zhuhai Huafa Group Finance Co., Ltd., a subsidiary of Zhuhai Huafa Group Company Limited, of which RMB1 billion was unutilised as at 31 December 2024; as well as a financial support letter received from Zhuhai Huafa Group Finance Co., Ltd., who would provide financial support to the Group for at least the next twelve months from 31 December 2024, in assessing whether the Group will have sufficient financial resources to continue as a going concern. As at the date of these financial statements, taking into account the Group's cash flow projection, including the unutilised revolving credit facility, the directors of the Company consider that the Group has sufficient working capital to meet its financial obligations as they fall due for at least the next twelve months from the end of the reporting period. Accordingly, these financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights result in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of mobile telecommunications devices and accessories	**16,022,592**	16,180,615
Including:		
Retail	***4,517,043***	*4,370,684*
Sales to franchisees	***453,157***	*494,672*
Wholesale of mobile telecommunications devices and accessories	***11,052,392***	*11,315,259*
Wholesale of other goods	**420,927**	176,173
Sales of photovoltaic equipment	**792,141**	–
Sales of vehicles	**43,598**	68,378
Service income from mobile carriers	**208,784**	226,589
Revenue from provision of online and offline sales and marketing services*	**236,345**	278,700
Other service fee income	**280,937**	200,537
Subtotal	**18,005,324**	17,130,992
Revenue from other sources		
Rental income	**11,034**	15,000
Total	**18,016,358**	17,145,992

* The Group generated service income for providing service to Zhuhai Huafa Group Company Limited and its subsidiaries (collectively referred to as "**Zhuhai Huafa Group**") during the year.

Disaggregated revenue information

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Geographical markets		
Chinese Mainland	**18,005,324**	17,064,778
Spain	**–**	66,214
Total revenue from contracts with customers	**18,005,324**	17,130,992
Timing of revenue recognition		
Goods transferred at a point in time	**17,279,258**	16,425,166
Services transferred over time	**726,066**	705,826
Total revenue from contracts with customers	**18,005,324**	17,130,992

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**66,841**	63,207
Government grants	**5,890**	4,238
Others	**42,080**	18,374
Total other income	**114,811**	85,819
Gains		
Reversal of provision against a litigation	**–**	41,695
Fair value gain on financial assets at fair value through profit or loss	**1,918**	7,439
Gain on disposal of subsidiaries	**12,930**	–
Gain on foreign exchange	**3,146**	–
Total gains	**17,994**	49,134
Total other income and gains	**132,805**	134,953

4. INCOME TAX EXPENSES

The provision for the PRC current income tax has been provided at the 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 a preferential rate of 15% due to the western development tax incentives, for the year ended 31 December 2024. The major components of income tax expenses are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current		
Tax charge for the year	**2,261**	5,217
Deferred	**(230)**	(272)
Total tax expenses for the year	**2,031**	4,945

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the Company and the majority of the subsidiaries are domiciled to the tax expense at the Group's effective tax rate is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(1,404,183)**	(661,080)
Tax at the statutory tax rate	**(351,046)**	(165,270)
Lower tax rates for certain entities	**105**	(87)
Adjustments in respect of current tax of previous periods	**732**	323
(Profit)/losses attributable to associates and joint ventures	**(756)**	2,125
Expenses not deductible for tax	**269**	439
Tax losses not recognised	**352,727**	167,415
Tax expense at the Group's effective rate	**2,031**	4,945

5. DIVIDENDS

The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 December 2024.

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

The calculation of 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 of 886,460,400 (2023: 748,228,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

The calculation of basic loss per share amount is based on:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation:		
From continuing operations	**(1,374,142)**	(630,045)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year	**886,460,400**	748,228,000

7. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**2,732,370**	2,824,061
Bills receivable	**3,620**	41,471
Impairment	**(1,225,249)**	(822,480)
Net carrying amount	**1,510,741**	2,043,052

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 and others. 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 the 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 average maturity period of bills receivable is one to six months, and bills receivable were neither past due nor impaired.

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**351,596**	648,167
91 to 180 days	**331,957**	184,104
181 to 365 days	**155,273**	440,102
Over 1 year	**668,295**	729,208
Total	**1,507,121**	2,001,581

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**822,480**	402,433
Impairment losses	**734,324**	420,047
Amount written off as uncollectible	**(331,555)**	–
At end of year	**1,225,249**	822,480

As set out in note 1, Huafa Group acquired a controlling interest in the Company, and became the New Controlling Shareholders in 2021. In order to facilitate the smooth transition of the Group's business to the new management team of the New Controlling Shareholders and the collection of trade and other receivables arising from doing business with the Group under the management team of the Former Controlling Shareholders, the Former Controlling Shareholders agreed to collect and provide guarantees for the collection of certain trade and other receivables in the aggregate amount of approximately RMB2.23 billion (the "**Guaranteed Receivables**"). The guarantees (the "**Guarantees**") are secured by certain assets pledged by the Former Controlling Shareholders, and the general personal guarantee of Mr. Liu Donghai.

In view of the above, for the purpose of measuring credit losses, the expected cash flows from collateral held and other credit enhancements were included.

The Group assessed impairment losses for the Guaranteed Receivables and non-Guaranteed Receivables separately. For the details of the Group's assessment of expected credit loss of Guaranteed Receivables are as follows:

Guaranteed Receivables

For the Guaranteed Receivables, including Guaranteed Trade Receivables and Guaranteed Other Receivables, which have similar credit risk, the Group estimated the lifetime expected loss provision to determine the potential credit losses, taking into account whether the Former Controlling Shareholders has sufficient asset backings to cover the potential credit losses and provision for impairment was considered for the shortfall. In assessing the asset backings of the Former Controlling Shareholders, the Group considered assets identified and/or controlled by the Group, and considered that the general personal guarantee of Mr. Liu Donghai without assets identified to be minimal. For assets controlled by the Group, valuation by an external independent valuer was performed in determining the value of the assets if required. For assets identified but not controlled by the Group, the value of the assets were estimated based on information available. As a result, a provision for impairment loss of RMB189 million (2023: RMB92 million) was made for the Guaranteed Trade Receivables with a gross carrying amount of RMB660 million, RMB265 million (2023: RMB186 million) was made for the Guaranteed Other Receivables with a gross carrying amount of RMB891 million, taking into account the collateral and other credit enhancement effect of the expected cash flows from the pledged assets of properties, investments, payables due to the Liu Family, the Company's shares owned by the Liu Family, etc., at an estimated amount of RMB1,107 million as at 31 December 2024.

Non-Guaranteed 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 aging 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.

Set out below is the information about the credit risk exposure on the Group's Non-Guaranteed Trade Receivables using a provision matrix:

As at 31 December 2024

	Aging				
	Less than 3 months	**3 to 6 months**	**6 to 12 months**	**Over 1 year**	**Total**
Expected credit loss rate	**8.8%**	**11.3%**	**10.0%**	**82.7%**	**50.1%**
Gross carrying amount *(RMB'000)*	**384,826**	**370,977**	**172,540**	**1,140,229**	**2,068,572**
Expected credit losses *(RMB'000)*	**33,852**	**42,020**	**17,268**	**943,313**	**1,036,453**

8. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Prepayments and deposits	**838,648**	739,633
Other assets	**104,885**	86,538
Other receivables	**1,267,245**	1,663,882
	2,210,778	2,490,053
Impairment allowance	**(846,785)**	(536,245)
Total	**1,363,993**	1,953,808

The movements in the loss allowance for impairment of other receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**525,575**	272,011
Impairment losses	**667,857**	253,564
Amount written off as uncollectible	**(357,544)**	–
At end of year	**835,888**	525,575

The movements in the loss allowance for impairment of deposits are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**10,670**	753
Impairment losses	**227**	9,917
At end of year	**10,897**	10,670

IMPAIRMENT LOSS ON OTHER RECEIVABLES

The Company recognized an 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 RMB668 million for the year ended 31 December 2024.

Other Receivables due from Third Parties

The Group conducted the impairment assessment of the Other Receivables due from Third Parties by estimating the lifetime loss provision to determine the potential credit losses 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

Details of impairment of Guaranteed Other Receivables are set out in note 7.

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 aging 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 RMB581 million was made for the Non-Guaranteed Other Receivables as at 31 December 2024.

Set out below is the information about the credit risk exposure on the Non-Guaranteed Other Receivables due from Third Parties using a provision matrix as at 31 December 2024:

As at 31 December 2024

	Aging			
	Less than 1 year	**1 to 2 years**	**Over 2 years**	**Total**
Expected credit loss rate	8.9%	34.6%	100.0%	85.9%
Gross carrying amount *(RMB'000)*	88,907	21,659	565,567	676,133
Expected credit losses *(RMB'000)*	7,909	7,484	565,567	580,960

Given that the expected credit losses of the Other Receivables due from Third Parties have been increased from RMB525,575,000 as at 31 December 2023 to RMB835,888,000 as at 31 December 2024, the Company has recognized an impairment loss on the Other Receivables due from Third Parties of approximately RMB667,857,000 and write off uncollectable of RMB357,544,000 for the year ended 31 December 2024.

IMPAIRMENT LOSS ON DEPOSITS

The gross carrying amount of deposits was RMB103,991,000 as at 31 December 2024. Specific impairment provisions were made for deposits when the recoverability of the amount is doubtful. In general, the impairment rate of deposits was approximately 1%, and in some special circumstances where deposits were proven to be uncollectible, the impairment rate of deposits was 100%. As such, the provision for impairment loss in an amount of RMB227,000 was made for deposits for the year ended 31 December 2024.

9. TRADE AND BILLS PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**145,844**	413,607
Bills payables	**781,157**	–
Trade payables	**927,001**	413,067

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**503,580**	323,672
91 to 180 days	**364,156**	1,851
181 to 365 days	**4,537**	6,791
Over 1 year	**54,728**	80,753
Total	**927,001**	413,067

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

For the year ended 31 December 2024, the Group sold 4,340,000 mobile handsets, representing an increase of 502,000 sets or 13.08% from 3,838,000 sets for the year ended 31 December 2023. Operating revenue of the Group for the year ended 31 December 2024 amounted to RMB18,016,358,000, representing an increase of RMB870,366,000 or 5.08% from the operating revenue of RMB17,145,992,000 for the year ended 31 December 2023. Net loss for the year ended 31 December 2024 amounted to RMB1,406,214,000, representing an increase of RMB740,189,000 or 111.14% from the net loss of RMB666,025,000 for the year ended 31 December 2023. The year-on-year significant increase in net loss is mainly due to the increase in impairment losses on financial assets (including the trade receivables and other receivables). By excluding the impact of the impairment losses on financial assets for the year ended 31 December 2024, the Group would have achieved a net profit amounting to RMB8,852,000 for the year ended 31 December 2024.

II. FINANCIAL POSITION AND OPERATING RESULTS

(i) Overview

For the year ended 31 December 2024, the Group recorded a net loss of RMB1,406,214,000, representing an increase of RMB740,189,000 or 111.14% from a net loss of RMB666,025,000 for the year ended 31 December 2023. The net loss attributable to the owners of the parent of the Company for the year ended 31 December 2024 was RMB1,374,142,000, representing an increase of RMB744,097,000 or 118.10% from the net loss attributable to the owners of the parent of the Company of RMB630,045,000 for the year ended 31 December 2023.

1. Operating revenue

For the year ended 31 December 2024, operating revenue of the Group amounted to RMB18,016,358,000, representing an increase of RMB870,366,000 or 5.08% from the operating revenue of RMB17,145,992,000 for the year ended 31 December 2023. The increase in operating revenue was primarily due to a significant increase in revenue from our photovoltaic ("**PV**") business in this year. Our sales of mobile telecommunications devices and accessories include (i) sales in our retail business including our independently operated outlets and online channels; (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 independently operated outlets and 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, and revenue from sales of photovoltaic equipment. Our service income from mobile carriers are primarily derived from the share of the call charges of the mobile carriers. Other service fee income includes (i) management fees and service fees received from suppliers; (ii) income from value-added services; (iii) the rental fees we received by renting counter space to third parties who provide repair services; (iv) income from the service business; and (v) income from franchisees' services.

The Group's revenue from sales of mobile telecommunications devices and accessories amounted to RMB16,022,592,000 for the year ended 31 December 2024, representing a decrease of RMB158,023,000 or 0.98% as compared with the revenue from sales of mobile telecommunications devices and accessories of RMB16,180,615,000 for the year ended 31 December 2023.

The Group's service income from mobile carriers amounted to RMB208,784,000 for the year ended 31 December 2024, representing a decrease of RMB17,805,000 or 7.86% as compared with the service income from mobile carriers of RMB226,589,000 for the year ended 31 December 2023.

The Group's revenue from provision of online and offline sales and marketing services, other service fee income and rental income amounted to RMB528,316,000 in aggregate for the year ended 31 December 2024, representing an increase of RMB34,079,000 or 6.90% as compared with that of RMB494,237,000 for the year ended 31 December 2023, of which revenue from online and offline sales and marketing services amounted to RMB236,345,000, mainly due to the Company's channel advantages and full utilisation of the synergy of resources within the Group. In the future, the Company will expand its channel advantages in all aspects to provide sales services to more customers.

The Group's revenue from sales of vehicles for the year ended 31 December 2024 was RMB43,598,000 (2023: RMB68,378,000).

The Group's revenue from sales of photovoltaic equipment for the year ended 31 December 2024 was RMB792,141,000 (2023: Nil).

2. *Cost of sales*

The Group's cost of sales for the year ended 31 December 2024 amounted to RMB17,345,447,000, representing an increase of RMB980,806,000 or 5.99% as compared with the cost of sales of RMB16,364,641,000 for the year ended 31 December 2023, which was mainly due to the increase in cost of sales was in line with the increase in our operating revenue.

3. Gross profit and gross profit margin

Gross profit represents operating revenue net of cost of sales. For the year ended 31 December 2024, gross profit of the Group amounted to RMB670,911,000, representing a decrease of RMB110,440,000 or 14.13% from the gross profit of RMB781,351,000 for the year ended 31 December 2023. Our overall gross profit margins for the years ended 31 December 2023 and 2024 were 4.56% and 3.72%, respectively. The decrease in the overall gross profit margin as compared to that for the year ended 31 December 2023 was due to lower gross profit margin rate from sales of mobile telecommunications devices and accessories caused by fierce market competition in 2024.

4. Other income and gains

Other income and gains mainly include: (i) interest income; (ii) government grants; and (iii) others. The Group's other income and gains for the year ended 31 December 2024 amounted to RMB132,805,000, representing a decrease of RMB2,148,000 or 1.59% from RMB134,953,000 for the year ended 31 December 2023. The other income and gains for the year ended 31 December 2024 remained relatively stable as compared to that for the year ended 31 December 2023.

5. Selling and distribution expenses

Total selling and distribution expenses of the Group for the year ended 31 December 2024 amounted to RMB411,209,000, representing an increase of RMB15,604,000 or 3.94% as compared with the total selling and distribution expenses of RMB395,605,000 for the year ended 31 December 2023. The selling and distribution expenses for the year ended 31 December 2024 remained relatively stable as compared to that for the year ended 31 December 2023.

6. Administrative expenses

The Group's total administrative expenses for the year ended 31 December 2024 amounted to RMB184,919,000, representing a decrease of RMB20,080,000 or 9.80% as compared with the total administrative expenses of RMB204,999,000 for the year ended 31 December 2023. The decrease in administrative expenses was mainly due to the decrease in intermediary fees and system service fees.

7. *Impairment losses on financial assets*

For the year ended 31 December 2024, the Group recorded the impairment losses on financial assets amounted to RMB1,415,066,000, representing an increase of RMB705,754,000 or 99.50% as compared with the impairment losses on financial assets of RMB709,312,000 for the year ended 31 December 2023. Such increase was primarily due to the increase in the impairment losses on the trade receivables and other receivables due from third-party franchisees, suppliers and customers during the year ended 31 December 2024.

The impairment losses on financial assets represent the impairment of trade receivables amounted to RMB734,324,000 (2023: RMB420,047,000), impairment of other receivables amounted to RMB668,084,000 (2023: RMB263,481,000) and impairment of amounts due from related parties amounted to RMB12,658,000 (2023: RMB25,784,000).

The trade receivables, other receivables due from third-party and the amounts due from related parties were impaired, mainly due to the fact that the consumer sentiment remained subdued in the People's Republic of China (the "**PRC**") and continued to weigh on the domestic retail industry of the sale of mobile telecommunications devices and accessories in 2024. Coupled with the sluggish domestic retail industry and weak consumer sentiment in the PRC in 2024, the rapid growth of e-commerce platforms has intensified market competition for physical stores in the telecommunications industry. This competition is particularly fierce among the younger generation, who tend to purchase telecommunications products online. As a result, consumers have shifted from offline channels to online platforms, leading to significant changes in the industry landscape. During the performance of specific collectability review by the Group, certain customers and counterparties were found to be under liquidity pressure and/or have difficulties in repaying the trade and other receivables on time and there is an increase in ageing of the trade and other receivables due to various reasons such as poor operating results.

Such receivables due from third-party mainly arose during the ordinary and usual course of the Group's business, which were recognized at the time prior to the change of control of the Group in 2021, and were primarily related to (i) payment made to third-party customers and suppliers which aimed to facilitate the Group's channel exploitation of the sales channels and offline branded outlets and their future business cooperation, and such payment was utilized as start-up cost of these sales channels; and (ii) the payment made on behalf of third-party franchisees such as prepaying store value telephone card to mobile carriers. Such amount due from related parties mainly arose during the ordinary and usual course of the Group's business.

For details of the impairment assessment method, please refer to notes 7 and 8 to the financial statements from pages 11 to 15 of this announcement.

8. Other expenses

Our other expenses mainly include impairment of inventories and liquidated damages and fines for store closure. For the years ended 31 December 2023 and 2024, our other expenses amounted to RMB79,327,000 and RMB25,820,000, respectively, representing a year-on-year decrease of RMB53,507,000 or 67.45%, which was primarily due to the fact that there was no loss arising from the disposal of subsidiaries in 2024.

9. Finance costs

The Group's total finance costs for the year ended 31 December 2024 amounted to RMB173,908,000, representing a decrease of RMB5,919,000 or 3.29% as compared with the total finance costs of RMB179,827,000 for the year ended 31 December 2023. The finance costs for the year ended 31 December 2024 remained relatively stable as compared to that for the year ended 31 December 2023.

10. Income tax expenses

The Group's total income tax expenses for the year ended 31 December 2024 amounted to RMB2,031,000, while the total income tax expenses for the year ended 31 December 2023 amounted to RMB4,945,000. The decrease was primarily due to certain subsidiaries of the Group that had recorded profits had utilised tax losses brought forward from previous years.

(ii) Liquidity and capital resources (current assets, financial resources)

We operate in a capital-intensive industry and we finance our working capital, capital expenditure and other funding requirements mainly through income generated from operating activities and bank borrowings.

The Group's cash and cash equivalents have increased from RMB717,266,000 as at 31 December 2023 to RMB3,309,731,000 as at 31 December 2024, which was mainly due to loans obtained from related parties and paid-in from non-controlling interests at the end of the year.

(iii) Balance sheet items

1. Trade and bills receivables

To enhance the sales of our mobile handsets and enlarge our market share, we granted different credit periods to some customers in 2024, and certain amount of trade receivables were guaranteed by the Former Controlling Shareholders. Our retail sales to customers were 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.

We maintain strict control over and closely monitor the outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the management of the Company. In view of the aforementioned and the fact that our trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

As at 31 December 2024, the trade and bills receivables after deduction of impairment amounted to RMB1,510,741,000, representing a decrease of RMB532,311,000 or 26.05% from RMB2,043,052,000 as at 31 December 2023.

As at 31 December 2024, the trade receivables amounted to RMB2,732,370,000, representing a decrease of RMB91,691,000 or 3.25% from RMB2,824,061,000 as at 31 December 2023.

As at 31 December 2024, the bills receivables amounted to RMB3,620,000, representing a decrease of RMB37,851,000 or 91.27% from RMB41,471,000 as at 31 December 2023, which was mainly due to the decrease in note settlement methods.

2. Prepayments, other receivables and other assets

Our prepayments, other receivables and other assets, net of impairment as at 31 December 2024 amounted to RMB1,363,993,000, representing a decrease of RMB589,815,000 or 30.19% from RMB1,953,808,000 as at 31 December 2023.

Our prepayments and deposits mainly represent our prepayments to suppliers of mobile telecommunications devices and accessories and prepaid rental payments to lessors. Our prepayments and deposits before impairment as at 31 December 2024 amounted to RMB838,648,000, representing an increase of RMB99,015,000 or 13.39% from RMB739,633,000 as at 31 December 2023. The increase was mainly due to the reasonable arrangement of procurement payment according to the market demand. Our other receivables before impairment as at 31 December 2024 amounted to RMB1,267,245,000, representing a decrease of RMB396,637,000 or 23.84% from RMB1,663,882,000 as at 31 December 2023.

3. Impairment of trade and other receivables

Certain trade and other receivables in the aggregate amount of approximately RMB2.23 billion were then guaranteed by the Former Controlling Shareholders (the "**Guaranteed Receivables**"). The Group assessed impairment losses for the Guaranteed Receivables and non-Guaranteed Receivables separately.

Guaranteed Receivables

For the Guaranteed Receivables, the Group first applied the simplified approach prescribed by IFRS 9 to determine the potential credit losses, using the lifetime expected loss provision for the Guaranteed Receivables. The Group then assessed if the Former Controlling Shareholders had sufficient asset backings to cover the potential credit losses and provision for impairment was considered for the shortfall. In assessing the asset backings of the Former Controlling Shareholders, the Group considered assets identified and/or controlled by the Group, and considered that the general personal guarantee of Mr. Liu Donghai without assets identified to be minimal. For assets controlled by the Group, valuation by an external independent valuer was performed in determining the value of the assets if required. For assets identified but not controlled by the Group, the value of the assets were estimated based on information available. As a result, a provision for impairment loss in an amount of RMB454 million (2023: RMB278 million) was made for the Guaranteed Receivables.

Non-Guaranteed 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). Such calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the date about past events, current conditions and forecasts of future economic conditions.

4. Inventories

Our inventories as at 31 December 2024 amounted to RMB386,526,000, representing an increase of RMB55,042,000 or 16.60% from RMB331,484,000 as at 31 December 2023, which was mainly due to an increase in the Group's numbers of stores.

5. Trade and bills payables

Our trade payables are non-interest bearing and are normally settled within 30 to 60 days. Our trade and bills payables as at 31 December 2024 amounted to RMB927,001,000, representing an increase of RMB513,934,000 or 124.42% from RMB413,067,000 as at 31 December 2023. The increase in trade and bills payables for the year was mainly attributable to the increase in purchases as a result of the expansion of the Group's business size during the year.

6. Other payables and accruals

Our other payables and accruals consist of (i) contract liabilities; (ii) payroll and welfare payables; (iii) accrued expenses; (iv) other payables; and (v) accrued liabilities.

Our other payables and accruals as at 31 December 2024 amounted to RMB470,484,000, representing a decrease of RMB180,745,000 or 27.75% from RMB651,229,000 as at 31 December 2023. Such decrease was mainly due to the decrease in the Group's other payables with certain customers and suppliers.

7. Net current liabilities position

Our net current liabilities as at 31 December 2024 amounted to RMB65,938,000, representing a change from the net current liabilities of RMB131,748,000 as at 31 December 2023. Such change was mainly due to the increase in cash and cash equivalents and the decrease in interest-bearing bank borrowings in 2024.

8. Capital expenditure

For the year ended 31 December 2024, the Group's capital expenditure amounted to RMB22,211,000, which was incurred mainly in relation to purchase and construction of fixed assets, intangible assets and decoration costs in connection with the opening of new outlets and the renovation of old ones.

9. Interest-bearing bank and other borrowings

Our bank borrowings and other borrowings were primarily short-term in nature, and we also had long-term bank borrowings.

The following table sets forth our outstanding borrowings as at the dates indicated:

	31 December 2024		31 December 2023	
	Maturity date	***RMB'000***	Maturity date	*RMB'000*
Current				
Bank loans:				
Unsecured, repayable within one year	**2025**	**1,396,893**	2024	1,095,644
Secured, repayable within one year	**2025**	**1,563,200**	2024	1,670,000
Other borrowings:				
Unsecured, repayable within one year	**2025**	**80,000**	2024	275,000
Secured, repayable within one year	**2025**	**622,000**	2024	925,000
		3,662,093		3,965,644
Long-term				
Bank borrowings:				
Secured, repayable after one year	**2026**	**72,800**	N/A	–
		3,734,893		3,965,644

(iv) Key financial ratios

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

Key financial ratios

	As at 31 December			
Items	**2024**	2023	**Change**	**Percentage of change**
Current ratio	**0.99**	0.98	0.01	1.02%
Gearing ratio	**98.31%**	99.30%	-0.99%	-0.99%
Net debt-to-equity ratio	**465.89%**	7,386.03%	-6,920.14%	-93.69%

Current ratio is current assets divided by current liabilities as at the end of each financial period. Our current ratio as at 31 December 2024 was 0.99, representing an increase of 0.01 or 1.02% from 0.98 as at 31 December 2023. Such increase was primarily due to an increase in monetary capital.

Gearing ratio is net debt divided by the sum of net debt and total equity as 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. Our gearing ratio as at 31 December 2024 was 98.31%, representing a decrease of 0.99 percentage point or 0.99% from 99.30% as at 31 December 2023. Such decrease was primarily due to a decrease in net debt.

Net debt-to-equity ratio equals to net debt divided by total equity as at the end of the financial period and multiplied by 100%. Our net debt-to-equity ratio as at 31 December 2024 was 465.89%, representing a decrease of 6,920.14 percentage points or 93.69% from 7,386.03% as at 31 December 2023. Such decrease was mainly due to a decrease in net debt.

(v) Material acquisitions and disposals

For the year ended 31 December 2024, the Group had no material acquisitions and disposals.

(vi) Contingent liabilities

For the year ended 31 December 2024, the Group did not have any material contingent liabilities.

(vii) Foreign exchange rate risks

The Group's operating businesses are mainly located in the Chinese mainland, 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 the foreign exchange rate risk.

(viii) Restricted assets

As at 31 December 2024, except for the pledged deposits amounted to RMB2,135,073,000 and financial assets at fair value through profit or loss amounted to RMB204,466,000, there were no other restricted assets.

(ix) Material investments

The Group did not have any material investment during the year ended 31 December 2024.

(x) Employees, remunerations and training programmes for employees

For the year ended 31 December 2024, the Group had 2,733 employees (2023: 2,689). Salary costs and employees' benefit expenses of the Group amounted to approximately RMB305,531,000 for the year ended 31 December 2024. Remunerations for the Group's existing employees include salaries, performance-based bonus, social insurance, housing provident fund and other benefits.

In order to improve the overall quality of employees, the operation efficiency of the Group and the quality of the services, the Group has already held and will continue to hold various training programmes for employees, including training on professional quality, corporate culture, exchange of product and business information, and management skills for middle and senior management members. The trainings are carried out in various forms, mainly in three ways through online learning, seminars and conferences and on-site skill specific training programmes.

(xi) Future material investment

Except as disclosed in this announcement, as at the date of this announcement, the Group does not have any material investment plan in the near future.

(xii) Material events after the financial year ended 31 December 2024

As at the date of this announcement, the Group does not have any material events after the financial year ended 31 December 2024.

III. BUSINESS OUTLOOK FOR 2025

Year 2025 will be a pivotal year for Digital Telecom to deepen and solidify its core business foundation while accelerating innovation-driven transformation. Confronted with the dual challenges of economic volatility and intensifying industry competition, Digital Telecom will remain committed to deepening its presence in the 3C industry and cultivating new business growth momentums. By leveraging national subsidy policies as a key catalyst, we will capitalise on our nationwide channel network advantages, enhance the synergy between online and offline operations, continuously improve refined management practices, and thereby ensure the high-quality attainment of our annual objectives:

(i) Deepening channel synergy and consolidating the foundation of the core retail business

In terms of the offline retail business, on the basis of continuously advancing the implementation of mobile outlets management systems and private domain tools while optimising core outlets structures, we will focus on national subsidy policies as our core driver. This will comprehensively promote outlets participation in national subsidy-eligible model sales to achieve dual breakthroughs in business scale and profitability, effectively enhancing operational efficiency and increasing the proportion of profitable outlets. In terms of the online retail business, under the operational strategy of "securing authorisations, expanding channels, and increasing product categories", we will continue to strengthen cooperation with platforms such as JD.com, Douyin and Kuaishou. Simultaneously, we will proactively explore regional subsidy resources and systematically expand authorisation for product categories enjoying national subsidy. In terms of the private domain development, by focusing on delivering value to users, supporting sales of products enjoying national subsidy at our outlets, and empowering management capabilities, we will build an operational service system to enhance sales conversion rates and repurchase rates, creating an integrated online-offline operational matrix.

(ii) Focusing on the core priorities to build a 1+N value ecosystem

Digital Telecom remains committed to its mobile phone business as the core while expanding opportunities across the entire industry chain. On the channel front, we will deepen collaborations with brands like Huawei, Honor, and Xiaomi, jointly develop marketing plans and establish a "full lifecycle management mechanism" for core products to secure actively premium policy support from manufacturers. Regarding the supply chain, we will fully cultivate and leverage our strengths in supply chains to overcome challenges in brand channel management and control, expand IoT product categories including PCs, smart home appliances, and AI hardware, and empower our subsidiaries in different business operations. For post-market mobile phone services, we will continue to optimise digital platforms to enhance recycling conversion rates, refine operations in value-added services like repair and insurance to foster user loyalty, and explore new revenue streams for the Group.

(iii) Responding to changes with constancy, and solidify and optimise the new energy business

In 2025, Digital Telecom will expand its scale, prioritize grid connection, and drive incremental growth in its household PV business which has developed steadily through its early pilot projects. The Group will actively respond to industry policy fluctuations, flexibly adjust partnership strategies, and collaborate with brand manufacturers to explore community projects and operation and maintenance opportunities while optimising project operation models. It will also expand its business footprint at the right time and enter the commercial and industrial PV market strategically to boost the profitability of the Group.

Regarding the PV supply chain business, Digital Telecom will leverage its professional expertise and channel resources to deepen cooperation with industry leaders, ensuring multi-channel and multi-dimensional development of its new energy PV business.

(iv) Continuously reducing costs and enhancing efficiency to solidify the foundation of refined management

In 2025, Digital Telecom will continue to comprehensively implement cost reduction and efficiency enhancement initiatives. On one front, we will, through optimising inventory management and other full-process control mechanisms across the supply chain, minimise inventory backlog and capital occupation, effectively control costs, and continuously improve internal operational efficiency. On another front, we will, through refining budget management, cost accounting, and performance allocation mechanisms, further strengthen the integration of business and finance, enhance financial management's support and monitoring capabilities for business operations while precisely improve resource allocation efficiency. At the same time, Digital Telecom remains committed to elevating refined management standards. We will persistently develop our risk management system to strictly control operational risks, continuously enhance digital system functionalities to empower operational management upgrades, and drive dual improvements in operational efficiency and effectiveness through a trinity model of "lean operations + smart decision-making + risk prevention and control". These concerted efforts will provide robust safeguards for achieving all corporate objectives set for 2025.

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. During the year ended 31 December 2024, save as disclosed below, the Company has complied with all the applicable code provisions as set out in the CG Code and adopted most of the recommended best practices.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions conducted by its Directors and supervisors (the "**Supervisor(s)**"). Specific enquiries have been made to all Directors and Supervisors, and each of the Directors and Supervisors has confirmed that he/she has complied with the standard requirements set out in the Model Code during the year ended 31 December 2024.

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

During the year ended 31 December 2024, 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 31 December 2024, the Company didn't hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company, together with the management and external auditor of the Company, has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2024.

This annual results announcement is based on the audited consolidated financial statements of the Group for the year ended 31 December 2024, as agreed with the auditor of the Company.

The Board has considered and approved the audited consolidated financial results of the Group for the year ended 31 December 2024 as set out in this annual results announcement.

PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

This announcement of audited annual results will be available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.dixintong.com), respectively. The 2024 Annual Report of the Company containing all the information required by the Listing Rules will be made available to the shareholders on the respective websites of the Stock Exchange and the Company.

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

Beijing, the PRC
26 March 2025

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