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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 2024

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 2024 (the "**Annual Report**") published on the websites of The Stock Exchange of Hong Kong Limited and the Company on 29 April 2025. 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:

AGEING PROFILE OF GUARANTEED TRADE RECEIVABLES AND GUARANTEED OTHER RECEIVABLES

As at 31 December 2024, the Guaranteed Trade Receivables and Guaranteed Other Receivables had a gross carrying amount of approximately RMB660 million and RMB891 million, respectively, with an ageing period of over three years.

KEY INPUTS, ASSUMPTIONS AND METHODOLOGY FOR IMPAIRMENT ASSESSMENT FOR NON-GUARANTEED RECEIVABLES AND GUARANTEED RECEIVABLES

Non-Guaranteed Receivables

The Group conducts impairment assessment for Non-Guaranteed Receivables by determining the potential credit losses by using the lifetime expected loss provision for the Non-Guaranteed Receivables as prescribed under International Financial Reporting Standard No. 9 ("**IFRS 9**"). The Group determines the expected credit loss ("**ECL**") rate for receivables with significantly different credit risks on an individual basis. For other general receivables from third parties which arise in the normal and ordinary course of the Group's business, the credit risk increases with the age of the receivables. Accordingly, the Group applies an ageing-based approach by grouping receivables according to their ageing profiles and calculating the ECL using the corresponding ECL rate, which takes into account historical loss rates, average default rates, average migration rates, forward-looking adjustments (including projected gross domestic product ("**GDP**") growth scenarios), and other relevant factors. Please refer to the following parameters of the ECL model:

	Basis of selection/calculation method
Risk Portfolio	In accordance with IFRS 9, receivables are assessed for impairment on the basis of expected credit losses, and a provision is recognised by considering the credit risk characteristics of different customers. This approach employs a common risk profile and an impairment matrix derived from an ageing portfolio.
Average migration rate	Using the distribution of the ageing profile of receivables for the past three years and the current year, the migration rates for each age group in 2022, 2023, and 2024 were calculated separately. The average of these migration rates from the past three years was then used as the current year's average migration rate for the receivables.
Average default rate	Determine the default rate for all receivables aged more than two years for each of the years 2022, 2023, and 2024 and then compute the average of these three annual default rates to obtain the multi-year average.
Historical loss rate	The formula for calculating the historical loss rate is: *(Average migration rate per age group) x (average default rate) x 100%.*
Forward-looking adjustment factor	The Group calculates credit loss rates under different scenarios based on the trends between historical default probabilities, default loss rates and GDP growth rates, taking into account future GDP growth rates, and uses the weighted average of the credit loss rates under different scenarios and the rate of change of the current loss rate as the forward-looking adjustment factor.
Expected credit loss rate	The formula for calculating the ECL rate is: *(Historical loss rate per age group) x (1+ forward-looking adjustment factor)*

The Group calculates the average migration rate for customers and applies a 100% average default rate to receivables aged more than two years, drawing on the distribution of each age group from 2022 to 2024 and considering actual business environment. From this, the Group derives the historical loss rate and, after factoring in GDP growth across various scenarios, applies a 5% forward-looking adjustment. This revised figure then forms the basis for determining the ECL rate. Based on the above, the provision for impairment loss in an amount of RMB1,036 million was made for the Non-Guaranteed Trade Receivables and a provision in the amount of RMB581 million was made for the Non-Guaranteed Other Receivables.

Guaranteed Receivables

Similar to the Non-Guaranteed Receivables, the Group also conducts an impairment assessment for Guaranteed Receivables by using the lifetime expected loss provision to determine the potential credit losses by using the lifetime expected loss provision for the Guaranteed Receivables first without considering the asset backings of the Former Controlling Shareholder. As the Guaranteed Receivables mainly arose during the ordinary and usual course of the Group's business, which were recognised at the time prior to the change in control of the Group in 2021, the credit risk also increases with the age of the receivables. The Group applies the ageing-based ECL model similar to the Non-Guaranteed Receivables to calculate the corresponding ECL rate. The Group will then assess the fair value of the asset backings of the Former Controlling Shareholder by engaging external independent appraisers to perform valuations of properties and equity investments, incorporating downstream transaction taxes and fees into the assessment and will then assess whether the fair value of the asset backings are sufficient to cover the required impairment provision under the ECL model, and any shortfall is recognised as impairment provision for the Guaranteed Receivables. In assessing the asset backings of the Former Controlling Shareholders, the Group considered the fair value of assets identified. For pledged assets, valuation by an external independent valuer was performed in determining the fair value of the assets if required. As such, the provision for impairment loss in an amount of RMB189 million was made for the Guaranteed Trade Receivables, and a provision of an amount of RMB265 million was made for the Guaranteed Other Receivables.

PORTFOLIO AND ENFORCEMENT OF ASSET BACKINGS OF THE FORMER CONTROLLING SHAREHOLDER

As disclosed in the Annual Report, the pledged asset backings of the Former Controlling Shareholder included property assets, investments, payables due to the Liu Family and the Company's shares owned by the Liu Family at an estimated amount of RMB1,107 million as at 31 December 2024. In assessing whether it is the appropriate time to enforce the underlying collateral of the Guaranteed Receivables, the Board's judgment is primarily based on whether the returns, as a result of such enforcement, can be maximised by the Company. In this regard, the Board had taken into account various factors, including (i) the current depressed property market condition in the PRC owing to ongoing market downturn and heightened geopolitical tensions which in turn reduced investor appetite and as such may not be the most optimal time to dispose of such assets; (ii) the cost and expenses associated with ownership and possession of the secured property assets, which may include but are not limited to depreciation of such property assets, maintenance and operating costs as well as property-related taxes and fees; (iii) the limited relevance and synergy of such property assets with the Group's business and operational circumstances should the Group take possession of the same, which would limit the commercial benefits and returns, and the retention of which may not provide meaningful operational advantages to the Group; (iv) the practical and inherent challenges of the disposal and realisation of such property assets in the short term and the timing required for such disposal; (v) potential tax liabilities and transaction costs required in respect of the disposal and realisation of such assets; (vi) the PRC government had introduced a series of intensified policies and guidance which generally emphasise the support and stabilisation of the PRC property market which may lead to an eventual improvement of the PRC property market; and (vii) the current share price of the Company. Although the underlying collateral of the Guaranteed Receivables will nonetheless always have a stated fair value and the enforcement of which would still serve as protection against the Guaranteed Receivables given the impairment, the forced disposal or enforcement of such collateral may significantly impair the realisable amount. Accordingly, the Board is of the view that the decision by the Board not to enforce the underlying collateral at this juncture is well-considered and reasonable and serves the longer-term interests of the Company and its shareholders as a whole. The Board will continue to monitor market conditions and reassess its enforcement strategy depending on circumstances as and when necessary.

ACTIONS TAKEN BY THE GROUP TO RECOVER THE OUTSTANDING RECEIVABLES

In an effort to recover the outstanding receivables, the Group had taken the following measures and actions to recover the Guaranteed Receivables and Non-Guaranteed Receivables:

(i) Issuing demand letters involving an amount of approximately RMB116 million in respect of the Non-Guaranteed Receivables, of which approximately RMB103 million had been successfully recovered as at 31 December 2024. From 31 December 2024 to 11 July 2025, further to the repayment reminders issued by the Company set out in point (iii) below and the collection incentive program initiated by the Company set out in point (iv) below, the Company issued additional demand letters in the amount of approximately RMB422 million, of which approximately RMB333 million consisted of Guaranteed Receivables and RMB89 million consisted of Non-Guaranteed Receivables. The Company has continued to issue and follow-up on the demand letters in respect of the outstanding receivables;

(ii) Initiating legal action in respect of the Non-Guaranteed Receivables by engaging legal advisers to commence court proceedings in respect of an amount of approximately RMB8 million as at 31 December 2024;

(iii) Conducting reconciliations and urging payments from customers via regular telephone or instant messaging communication involving an amount of approximately RMB1.68 billion, of which approximately RMB404 million consisted of Guaranteed Receivables and approximately RMB1.28 billion consisted of Non-Guaranteed Receivables as at 31 December 2024;

(iv) In light of the rising provision of impairment loss over the years, the Company initiated a collection incentive program since 2024 which involves rewarding the Group's staff for successful recoveries of approximately RMB923 million of receivables, among which approximately RMB256 million consisted of Guaranteed Receivables and approximately RMB667 million consisted of Non-Guaranteed Receivables as at 31 December 2024 to improve collection efficiency; and

(v) Reviewing and improving the Group's account receivable management policies and procedures.

Additionally, the Group does, on a case-by-case basis (depending on the responsiveness and the relevant customer's potential capacity for repayment, which is determined by constant communication with the relevant customer, understanding the reason for late repayment and conducting site visits by sending the Company's headquarter personnel to the relevant customer's site to coordinate repayment of the relevant receivables) negotiate and agree with customers on a settlement plan, which may include repayment terms such as splitting the outstanding receivables into instalments for settlement by the relevant customers by certain dates (the "**Settlement Plans**"). As at 11 July 2025, the Group had entered into Settlement Plans with customers in respect of approximately RMB59.5 million of Non-Guaranteed Receivables, of which approximately RMB3.3 million had been settled and recovered by the Group pursuant to the Settlement Plans.

To address and improve the recovery rate of the recovery actions taken by the Company as a whole, the Company had also set up a special receivables recovery team (comprising of relevant business operations personnel corresponding to the relevant outstanding receivables and the financial and legal teams of the head office of the Group) (the "**Receivables Recovery Team**"), which will be tasked to analyse all outstanding receivables, and with regard to the individual circumstances of each customer, issue repayment reminder letters/demand letters. An individual dedicated personnel of the Company will follow up on the responses and feedback from the customers under the supervision of the Receivables Recovery Team. Based on the response and feedback from the relevant customers, the Receivables Recovery Team will further discuss the repayment plan and negotiate a Settlement Plan if feasible or take further measures such as commencing legal proceedings or engaging a third-party risk agency to collect the outstanding receivables on the Group's behalf in accordance with the Group's accounts receivables management policies and procedures.

The Group will monitor recovery prospects on a continual basis, particularly in respect of large or long-overdue accounts, and will continue to liaise with relevant counterparties to determine whether more proactive measures are warranted.

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
19 September 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.