

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CONNECTED TRANSACTION
ACQUISITION OF 25% OF THE EQUITY INTERESTS IN
SHANGHAI SUBSIDIARIES**

EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that on 4 June 2021, the Company and the Transferors entered into the Equity Transfer Agreements respectively, pursuant to which, the Company agreed to acquire and the Transferors agreed to dispose of an aggregate of 25% of the equity interests in each of Shanghai Subsidiaries for a consideration of RMB70 million in total.

Immediately after the completion of the Equity Transfer Agreements, the Shanghai Subsidiaries will become wholly-owned subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Shanghai Subsidiaries is a subsidiary of the Company. Mr. Zhou Qing serves as the general manager of Shanghai Subsidiaries, and thus is a connected person of the Company at the subsidiary level. Therefore, each of the transactions under the Equity Transfer Agreements entered into between the Company and Mr. Zhou Qing constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as one transaction if they are all completed within a 12-month period or are otherwise related. As the parties of each of the Equity Transfer Agreements entered into between the Company and Mr. Zhou Qing are the same and the transactions under such Equity Transfer Agreements are identical in term of nature, such transactions shall be aggregated. As the applicable percentage ratios of such Equity Transfer Agreements upon aggregation are all more than 0.1% but less than 5%, such transactions shall be subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as one transaction if they are all completed within a 12-month period or are otherwise related. As the Transferors to the Equity Transfer Agreements are all management members of Shanghai Subsidiaries and the transactions under the Equity Transfer Agreements are identical in terms of reasons and nature, such transactions shall be aggregated. As the highest applicable percentage ratio of the Equity Transfer Agreements upon aggregation is less than 5%, such transactions do not constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. However, for the purpose of enabling the Shareholders of the Company to have a more comprehensive understanding on the transactions under the Equity Transfer Agreements, the Company voluntarily complies with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that on 4 June 2021, the Company and the Transferors entered into the Equity Transfer Agreements respectively, pursuant to which, the Company agreed to acquire and the Transferors agreed to dispose of an aggregate of 25% of the equity interests in each of Shanghai Subsidiaries for a consideration of RMB70 million in total.

Immediately after the completion of the Equity Transfer Agreements, the Shanghai Subsidiaries will become wholly-owned subsidiaries of the Company.

Each of the Equity Transfer Agreements was signed on conditions independent of one another and those agreements shall be completed independently. Although the principal terms of each of the Equity Transfer Agreements are similar or identical, they are applicable to the terms of each of the Equity Transfer Agreements and shall be completed independently. The principal terms of the Equity Transfer Agreements are set out as follows:

Date:

4 June 2021

Parties	Subject of the Transfer	Consideration	Payment
(1) The Company (as the transferee) (2) Mr. Zhou Qing (as the transferor)	13.5% of the equity interests in Shanghai Chuanda Communication held by Mr. Zhou Qing	The consideration is RMB10.800 million, which shall be settled in cash by the Company to Mr. Zhou Qing.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	13.5% of the equity interests in Shanghai Dixin Electronic held by Mr. Zhou Qing	The consideration is RMB20.520 million, which shall be settled in cash by the Company to Mr. Zhou Qing.	
	13.5% of the equity interests in Shanghai Dixin South held by Mr. Zhou Qing	The consideration is RMB6.480 million, which shall be settled in cash by the Company to Mr. Zhou Qing.	

Parties	Subject of the Transfer	Consideration	Payment
(1) The Company (as the transferee) (2) Mr. Li Kai (as the transferor)	2.9% of the equity interests in Shanghai Chuanda Communication held by Mr. Li Kai	The consideration is RMB2.320 million, which shall be settled in cash by the Company to Mr. Li Kai.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	2.9% of the equity interests in Shanghai Dixin Electronic held by Mr. Li Kai	The consideration is RMB4.408 million, which shall be settled in cash by the Company to Mr. Li Kai.	
	2.9% of the equity interests in Shanghai Dixin South held by Mr. Li Kai	The consideration is RMB1.392 million, which shall be settled in cash by the Company to Mr. Li Kai.	
(1) The Company (as the transferee) (2) Ms. Zhou Yujing (as the transferor)	1.8% of the equity interests in Shanghai Chuanda Communication held by Ms. Zhou Yujing	The consideration is RMB1.440 million, which shall be settled in cash by the Company to Ms. Zhou Yujing.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	1.8% of the equity interests in Shanghai Dixin Electronic held by Ms. Zhou Yujing	The consideration is RMB2.736 million, which shall be settled in cash by the Company to Ms. Zhou Yujing.	
	1.8% of the equity interests in Shanghai Dixin South held by Ms. Zhou Yujing	The consideration is RMB0.864 million, which shall be settled in cash by the Company to Ms. Zhou Yujing.	
(1) The Company (as the transferee) (2) Mr. Yang Zhiyong (as the transferor)	1.8% of the equity interests in Shanghai Chuanda Communication held by Mr. Yang Zhiyong	The consideration is RMB1.440 million, which shall be settled in cash by the Company to Mr. Yang Zhiyong.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	1.8% of the equity interests in Shanghai Dixin Electronic held by Mr. Yang Zhiyong	The consideration is RMB2.736 million, which shall be settled in cash by the Company to Mr. Yang Zhiyong.	
	1.8% of the equity interests in Shanghai Dixin South held by Mr. Yang Zhiyong	The consideration is RMB0.864 million, which shall be settled in cash by the Company to Mr. Yang Zhiyong.	

Parties	Subject of the Transfer	Consideration	Payment
(1) The Company (as the transferee) (2) Ms. Chen Xiujun (as the transferor)	1.5% of the equity interests in Shanghai Chuanda Communication held by Ms. Chen Xiujun	The consideration is RMB1.200 million, which shall be settled in cash by the Company to Ms. Chen Xiujun.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	1.5% of the equity interests in Shanghai Dixin Electronic held by Ms. Chen Xiujun	The consideration is RMB2.280 million, which shall be settled in cash by the Company to Ms. Chen Xiujun.	
	1.5% of the equity interests in Shanghai Dixin South held by Ms. Chen Xiujun	The consideration is RMB0.720 million, which shall be settled in cash by the Company to Ms. Chen Xiujun.	
(1) The Company (as the transferee) (2) Mr. Jiao Liping (as the transferor)	1.5% of the equity interests in Shanghai Chuanda Communication held by Mr. Jiao Liping	The consideration is RMB1.200 million, which shall be settled in cash by the Company to Mr. Jiao Liping.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	1.5% of the equity interests in Shanghai Dixin Electronic held by Mr. Jiao Liping	The consideration is RMB2.280 million, which shall be settled in cash by the Company to Mr. Jiao Liping.	
	1.5% of the equity interests in Shanghai Dixin South held by Mr. Jiao Liping	The consideration is RMB0.720 million, which shall be settled in cash by the Company to Mr. Jiao Liping.	
(1) The Company (as the transferee) (2) Mr. Li Yonggang (as the transferor)	2% of the equity interests in Shanghai Chuanda Communication held by Mr. Li Yonggang	The consideration is RMB1.600 million, which shall be settled in cash by the Company to Mr. Li Yonggang.	The Company shall pay the aforesaid consideration in a lump sum within 5 working days from the date on which the Equity Transfer Agreements become effective.
	2% of the equity interests in Shanghai Dixin Electronic held by Mr. Li Yonggang	The consideration is RMB3.040 million, which shall be settled in cash by the Company to Mr. Li Yonggang.	
	2% of the equity interests in Shanghai Dixin South held by Mr. Li Yonggang	The consideration is RMB0.960 million, which shall be settled in cash by the Company to Mr. Li Yonggang.	

Pricing basis:

The consideration was determined after arm's length negotiations with reference to the book value of the net assets of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South as at 30 November 2020 and taking into account the original acquisition cost of the Transferors, respectively (the consideration is the same as the original acquisition cost of the Transferors (i.e. RMB70 million). For details, please refer to the announcement dated 15 July 2019 of the Company). According to the financial management accounts prepared by the Company in accordance with International Accounting Standards, the book value of the unaudited net assets of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South as at 30 November 2020 amounted to approximately RMB81.4302 million, RMB154.3943 million and RMB46.8210 million, respectively.

Completion:

The Company shall complete the relevant procedures for change of industrial and commercial registration within 30 days after entering into the Equity Transfer Agreements.

INFORMATION ON SHANGHAI SUBSIDIARIES

Shanghai Chuanda Communication

Shanghai Chuanda Communication is a company incorporated in the PRC with limited liability on 24 April 2008. As at the date of this announcement, Shanghai Chuanda Communication is held as to 75% by the Company and 25% by the Transferors. Shanghai Chuanda Communication is principally engaged in the sale of mobile telecommunications devices.

The key financial data of Shanghai Chuanda Communication for the two years ended 31 December 2020, which were prepared under the PRC Accounting Standards for Business Enterprises, are set out as follows:

	For the year ended 31 December 2019 RMB (Unaudited)	For the year ended 31 December 2020 RMB (Unaudited)
Revenue	369,021,023.25	230,741,934.47
Profit before tax	4,276,946.06	2,540,425.51
Profit after tax	3,207,709.55	2,395,216.12

According to the financial data of Shanghai Chuanda Communication prepared under the PRC Accounting Standards for Business Enterprises, the unaudited total assets and net assets of Shanghai Chuanda Communication as at 31 December 2020 amounted to RMB194,731,061.30 and RMB83,992,521.06, respectively.

Shanghai Dixin Electronic

Shanghai Dixin Electronic is a company incorporated in the PRC with limited liability on 5 September 2000. As at the date of this announcement, Shanghai Dixin Electronic is held as to 75% by the Company and 25% by the Transferors. Shanghai Dixin Electronic is principally engaged in the sale of mobile telecommunications devices.

The key financial data of Shanghai Dixin Electronic for the two years ended 31 December 2020, which were prepared under the PRC Accounting Standards for Business Enterprises, are set out as follows:

	For the year ended 31 December 2019 RMB (Unaudited)	For the year ended 31 December 2020 RMB (Unaudited)
Revenue	1,330,471,508.72	1,016,548,288.77
Profit/(loss) before tax	12,662,416.23	(3,067,927.01)
Profit/(loss) after tax	9,440,570.84	(3,388,793.19)

According to the financial data of Shanghai Dixin Electronic prepared under the PRC Accounting Standards for Business Enterprises, the unaudited total assets and net assets of Shanghai Dixin Electronic as at 31 December 2020 amounted to RMB729,797,331.80 and RMB154,793,521.50, respectively.

Shanghai Dixin South

Shanghai Dixin South is a company incorporated in the PRC with limited liability on 27 December 2000. As at the date of this announcement, Shanghai Dixin South is held as to 75% by the Company and 25% by the Transferors. Shanghai Dixin South is principally engaged in the sale of mobile telecommunications devices.

The key financial data of Shanghai Dixin South for the two years ended 31 December 2020, which were prepared under the PRC Accounting Standards for Business Enterprises, are set out as follows:

	For the year ended 31 December 2019 RMB (Unaudited)	For the year ended 31 December 2020 RMB (Unaudited)
Revenue	87,553,736.90	67,088,959.20
Profit before tax	1,301,220.56	2,470,243.31
Profit after tax	1,221,098.50	2,461,456.34

According to the financial data of Shanghai Dixin South prepared under the PRC Accounting Standards for Business Enterprises, the unaudited total assets and net assets of Shanghai Dixin South as at 31 December 2020 amounted to RMB59,720,278.01 and RMB49,354,396.92, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

The Acquisition is beneficial to the integration of resources of the Group's structure. Taking into account of the current operating conditions and future development trend of Shanghai Subsidiaries, as well as conforming to the Group's future strategic development, the Company consolidated the equity interests in Shanghai Subsidiaries for achieving more standard operational management in the future.

DIRECTORS' OPINION

As at the date of this announcement, none of the Directors has any material interest in the Equity Transfer Agreements. Therefore, none of the Directors is required to abstain from voting at the meeting of the Board approving the transactions contemplated under the Equity Transfer Agreements.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE TRANSFERORS

The Company

The Company is a joint stock limited company incorporated in the PRC on 31 May 2001. The principal business activity of the Company is the sale of telecommunications devices at home country and abroad.

Mr. Zhou Qing

As at the date of this announcement, Mr. Zhou serves as the vice general manager of the Company as well as the general manager of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South. As Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South are subsidiaries of the Company, and thus Mr. Zhou Qing is a connected person of the Company. In addition, Mr. Zhou holds 9.71% of the shares of Chengmai Dixin which in turn holds 2.62% of the shares of the Company.

Mr. Li Kai

As at the date of this announcement, Mr. Li serves as the chief financial officer of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South. Mr. Li holds 1.94% of the shares of Chengmai Dixin which in turn holds 2.62% of the shares of the Company.

Ms. Zhou Yujing

As at the date of this announcement, Ms. Zhou serves as the vice general manager of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South.

Mr. Yang Zhiyong

As at the date of this announcement, Mr. Yang serves as the vice general manager of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South.

Ms. Chen Xiujun

As at the date of this announcement, Ms. Chen serves as the department manager of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South.

Mr. Jiao Liping

As at the date of this announcement, Mr. Jiao serves as the department manager of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South.

Mr. Li Yonggang

As at the date of this announcement, Mr. Li serves as the vice general manager of Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, save as Mr. Zhou Qing, all of the other Transferors are third parties independent to the Company and its connected persons.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Shanghai Subsidiaries is a subsidiary of the Company. Mr. Zhou Qing serves as the general manager of Shanghai Subsidiaries, and thus is a connected person of the Company. Therefore, each of the transactions under the Equity Transfer Agreements entered into between the Company and Mr. Zhou Qing constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as one transaction if they are all completed within a 12-month period or are otherwise related. As the parties to each of the Equity Transfer Agreements entered into between the Company and Mr. Zhou Qing are the same and the transactions under such Equity Transfer Agreements are identical in term of nature, such transactions shall be aggregated. As the applicable percentage ratios of such Equity Transfer Agreements upon aggregation are all more than 0.1% but less than 5%, such transactions shall be subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as one transaction if they are all completed within a 12-month period or are otherwise related. As the Transferors to the Equity Transfer Agreements are all management members of Shanghai Subsidiaries and the transactions under the Equity Transfer Agreements are identical in terms of reasons and nature, such transactions shall be aggregated. As the highest applicable percentage ratio of the Equity Transfer Agreements upon aggregation is less than 5%, such transactions do not constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. However, for the purpose of enabling the Shareholders of the Company to have a more comprehensive understanding on the transactions under the Equity Transfer Agreements, the Company voluntarily complies with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the Company proposed to acquire an aggregate of 25% of the equity interests in each of Shanghai Subsidiaries from the Transferors pursuant to the Equity Transfer Agreements
“Board”	the board of directors of the Company
“Chengmai Dixin”	Chengmai Dixin Changqing Investment Centre (Limited Partnership) (澄邁迪信長青投資中心(有限合夥人)), a limited partnership incorporated in the PRC
“Company”	Beijing Digital Telecom Co., Ltd. (北京迪信通商貿股份有限公司), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Hong Kong Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreements”	21 equity transfer agreements entered into between the Company and the Transferors on 4 June 2021 respectively, pursuant to which, the Company agreed to acquire and the Transferors agreed to dispose of an aggregate of 25% of the equity interests in each of Shanghai Subsidiaries for a consideration of RMB70 million in total
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Chuanda Communication”	Shanghai Chuanda Communication Technology Co., Ltd. (上海川達通信技術有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company
“Shanghai Dixin Electronic”	Shanghai Dixin Electronic Communication Technology Co., Ltd. (上海迪信電子通信技術有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company
“Shanghai Dixin South”	Shanghai Dixin South Communication Technology Co., Ltd. (上海迪信南方通信技術有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company
“Shanghai Subsidiaries”	collectively, Shanghai Chuanda Communication, Shanghai Dixin Electronic and Shanghai Dixin South
“Shareholder(s)”	holder(s) of the shares of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transferors”	Mr. Zhou Qing (周清), Mr. Li Kai (李凱), Ms. Zhou Yujing (周玉靜), Mr. Yang Zhiyong (楊志勇), Ms. Chen Xiujun (陳秀俊), Mr. Jiao Liping (焦立平) and Mr. Li Yonggang (李勇剛)
“%”	per cent.

By order of the Board
Beijing Digital Telecom Co., Ltd.
LIU Donghai
Chairman

Beijing, the PRC
4 June 2021

As at the date of this announcement, the executive Directors are Mr. LIU Donghai and Mr. LIU Yajun; the non-executive Directors are Mr. LI Wenzhi, Mr. YAO Yanzhong and Mr. LV Jing; and the independent non-executive Directors are Mr. LV Tingjie, Mr. LV Pingbo and Mr. ZHANG Senquan.