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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)

CONTINUING CONNECTED TRANSACTION
PHOTOVOLTAIC EQUIPMENT AND COMPONENTS
PURCHASE AND SALES FRAMEWORK AGREEMENT

PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT

The Board is pleased to announce that on 6 February 2024 (after trading hours), the Company entered into the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement with Beijing Shangfang, pursuant to which, the Group agreed to supply the Photovoltaic Equipment to Beijing Shangfang.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Huafa Technology Industry Group (and any parties acting in concert with it) and Hong Kong Huafa jointly hold, control or direct approximately 74.99% of the total number of issued shares of the Company, and both Huafa Technology Industry Group and Hong Kong Huafa are subsidiaries of Zhuhai Huafa. Accordingly, Zhuhai Huafa is a controlling shareholder and a connected person of the Company. Beijing Shangfang, being a 30%-controlled company indirectly held by Zhuhai Huafa, is an associate of Zhuhai Huafa and hence a connected person of the Company. As such, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transaction contemplated thereunder constitutes the continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the proposed cap under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement is over 0.1% but less than 5%, the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement is subject to the reporting and announcement requirements but exempt from circular and the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 6 February 2024 (after trading hours), the Company entered into the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement with Beijing Shangfang, pursuant to which, the Group agreed to supply the Photovoltaic Equipment to Beijing Shangfang.

PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT

The principal terms of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement are set out as follows:

Date: 6 February 2024

Parties: (a) the Company (as supplier); and
(b) Beijing Shangfang (as purchaser)

Term: From 6 February 2024 to 31 May 2024

Subject matter: Pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the Group agreed to purchase the Photovoltaic Equipment from independent third party suppliers and supply such Photovoltaic Equipment to Beijing Shangfang.

Individual sale of Photovoltaic Equipment agreements: As the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement only sets out the framework of the sale of Photovoltaic Equipment generally, in respect of the specific products to be sold by the Group, the relevant members of the Group shall enter into further specific sales contracts (or the orders thereunder) in respect of specific sale transaction with Beijing Shangfang to determine the type and quantity of the Photovoltaic Equipment and detailed terms and conditions on the sale of such products.

In the event of conflicts between the terms of the specific sales contract (or the orders thereunder) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the terms of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement shall prevail.

Pricing and payment terms:

As a general principle, the prices for the sale of the Photovoltaic Equipment shall be determined on normal commercial terms, negotiated on arm's length basis by both parties under the principle of justice, fairness and openness, and with reference to the prevailing market prices of the relevant Photovoltaic Equipment.

The prices for the sale of the Photovoltaic Equipment will also be determined in accordance with the following principles, including:

- (i) the prices offered by the Group to Beijing Shangfang shall not be less than those comparable transactions that offered by the Group to independent third parties for provision of the same or similar Photovoltaic Equipment during the same period (if any); and
- (ii) both parties agree that the Group has the right to freely choose its customer. If the Group does not agree with the actual transaction price and/or related terms proposed by Beijing Shangfang, the Group shall not be responsible for the sale of products or services to Beijing Shangfang.

In general, both parties will sign the specific sales contracts and agree on the payment period with the principles of fairness and reasonableness. The payment of the specific Photovoltaic Equipment shall be settled by Beijing Shangfang within 120 days from the date of signing specific sales contract (or the orders thereunder) under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement. The amount of payment shall be based on the settlement amount set out under the specific sales contracts (or the orders thereunder).

Unless otherwise agreed by both parties, Beijing Shangfang will pay for the delivery or other arrangement already agreed pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement.

Pricing policy:

The prices for the sale of the Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement will be determined with reference to the following:

- (i) the cost of purchasing the Photovoltaic Equipment from the upstream suppliers; and/or
- (ii) the prevailing market prices of the relevant Photovoltaic Equipment in the PRC market based on the quotation in the open market obtained from the authoritative third party public source in the photovoltaic industry, including but not limited to the renewable energy and technology research and consulting firm; and/or

- (iii) the prices of comparable transactions (if any) conducted by the Group with independent third parties during the same period; and/or
- (iv) the selling prices for the relevant Photovoltaic Equipment to Beijing Shangfang shall not be lower than the floor prices for the relevant type of the Photovoltaic Equipment which apply unified pricing set by the Company.

Historical transaction amount: There is not any transaction in relation to the purchase and sale of the Photovoltaic Equipment between the Group and Beijing Shangfang before entering into the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement.

Proposed cap: The proposed cap in respect of the fees receivable from the sale of the Photovoltaic Equipment to be provided by the Group to Beijing Shangfang during the period from 6 February 2024 to 31 May 2024 shall not exceed RMB70 million.

In considering the proposed cap under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the Directors have considered a number of factors including:

- (i) the expected demand in the quantity and type of the relevant Photovoltaic Equipment to be sold to Beijing Shangfang during the term of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement based on the discussions between the Company and Beijing Shangfang;
- (ii) the expected production capacity and channel of the potential upstream suppliers of the Group in relation to the supply of the relevant Photovoltaic Equipment based on the discussions between the Company and its upstream suppliers; and
- (iii) the respective estimated average unit prices of the Photovoltaic Equipment as mentioned above which have taken into account the prevailing market prices and market trend of such products.

Reasons and benefits:

Coupled with the important strategic direction of the Group in expanding the new energy business, the Company has been actively exploring business opportunities and expanding its presence of the new energy and photovoltaic business since 2023.

As a rising player in the photovoltaic power plant industry with a promising business outlook and development potential, Beijing Shangfang has a huge demand in purchasing a substantial quantity of photovoltaic equipment and related components in order to facilitate its construction of photovoltaic power plants. On the other hand, the Group has established solid business relationships with major photovoltaic manufacturers and suppliers. As such, the Group has the capability and competitiveness to source the Photovoltaic Equipment and related components from the suppliers and resell such products with a relatively more competitive price and favourable term to Beijing Shangfang.

By leveraging on the industry chain layout of Zhuhai Huafa in the new energy industry, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement will provide an opportunity for the Company to expand its business offerings and enhance its revenue stream, and enable the Company to generate synergy potential and create mutual economic benefits between the Group and Beijing Shangfang, thereby accelerating the development layout of the Group in the new energy and photovoltaic industry.

INTERNAL CONTROL MEASURES

The Company will adopt the below internal control procedures and corporate governance measures in relation to the transactions contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement:

- (i) the business departments of the Group will be responsible for collecting the market information including the price fluctuation of each of the Photovoltaic Equipment on a monthly basis from the authoritative third party public source in the photovoltaic industry;
- (ii) the business departments of the Group will also communicate with the customers, suppliers or trade partners through telephone conversations, emails and site visits to obtain the prices of comparable transactions during the same period and the prevailing market price at the time of a particular transaction for verification of the prevailing sales price implemented by the sales departments of the Group;
- (iii) the business departments of the Group, having obtained internal approval from the Company's management, will set up a floor price for each type of the Photovoltaic Equipment which apply unified pricing set by the Company based on the market price provided by the business departments of the Group. The selling price of Photovoltaic Equipment offered to Beijing Shangfang will not be lower than the floor price;

- (iv) the business departments of the Group will review the sales of the Photovoltaic Equipment of the Group based on the floor price and report to the management of the Company on a monthly basis;
- (v) the finance department of the relevant members of the Group is responsible for monitoring the fees for respective transactions contemplated under each of the specific sales contracts (or the orders thereunder) under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement to ensure that they are in accordance with the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the proposed cap thereof is not exceeded. In addition, the finance department of the Company will also conduct overall review on a monthly basis. Where the finance department of the relevant members of the Group is aware of any potential non-compliance with the pricing policies or that the proposed cap will be exceeded, the finance department of the relevant members of the Group will escalate the relevant matter to the senior management of the Company, who will co-ordinate at the Group level to take remedial actions, and ensure that the basis of proposed cap is followed and the proposed cap is not exceeded; and
- (vi) the independent non-executive Directors and auditors of the Company will conduct annual review on the transactions contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and provide their view to the Board.

By implementing the above measures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control and procedures to ensure that any fees to be agreed pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement will be on normal commercial terms, fair and reasonable and no less favourable to the Group than those available from independent third parties.

INFORMATION ON THE PARTIES

The Company

The Company is a joint stock limited company established in the PRC on 31 May 2001. The principal business activity of the Group is the sale of mobile telecommunications devices and accessories and the provision of related services.

Beijing Shangfang

Beijing Shangfang is a limited liability company established in the PRC, which is principally engaged in the development, survey, design, construction and operation of the distributed photovoltaic power plants. Beijing Shangfang is a wholly-owned subsidiary of Zhuhai Shangfang, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of Beijing Shangfang is Mr. Jin Xin (金鑫) (“**Jin Xin**”), who (i) is the legal representative and general manager of Zhuhai Shangfang, responsible for its overall business and management; (ii) indirectly owns 51% equity interest in Zhuhai Shangfang through his majority-controlled companies; and (iii) is the general partner of Hefei Yunshun Technology Partnership (Limited Partnership)* (合肥允舜科技合夥企業(有限合夥)) (“**Hefei Yunshun**”) and holds 1% partnership interest in Hefei Yunshun, which in turn owns 9% equity interest in Zhuhai Shangfang. As at the date of this announcement, Ms. Zhou Yi (周毅), the spouse of Jin Xin, holds approximately 87.89% partnership interest in Hefei Yunshun.

In addition, Zhuhai Huajin Alpha VI Equity Investment Fund Partnership (Limited Partnership)* (珠海華金阿爾法六號股權投資基金合夥企業(有限合夥)) (“**Huajin Alpha**”) directly holds 30% equity interest in Zhuhai Shangfang, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Huajin Alpha is entitled to exercise or control the exercise of 51% of the voting power at the general meetings of Zhuhai Shangfang pursuant to the acting-in-concert agreement entered into between Huajin Alpha and one of the other shareholders of Zhuhai Shangfang controlled by Jin Xin.

Huajin Alpha is owned as to approximately 99.97% partnership interest by Huafa Technology Industry Group and as to approximately 0.03% partnership interest by Zhuhai Huaying Investment Company Limited* (珠海鐸盈投資有限公司) (“**Zhuhai Huaying**”). Zhuhai Huaying is the general partner of Huajin Alpha and is a wholly-owned subsidiary of Zhuhai Huajin Capital Co., Ltd.* (珠海華金資本股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000532.SZ), which is controlled by Huafa Technology Industry Group (being a subsidiary of Zhuhai Huafa).

Zhuhai Huafa

Zhuhai Huafa is a state-owned conglomerate based in Zhuhai and is owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People’s Government* (珠海市人民政府國有資產監督管理委員會) and Department of Finance of Guangdong Province (廣東省財政廳) as to 93.51% and 6.49%, respectively. Zhuhai Huafa, through its subsidiaries, is principally engaged in four core business sectors of urban operations, real estate development, financial industry, and industrial investment, as well as two comprehensive supplementary businesses of commerce and trade services and modern services.

LISTING RULES IMPLICATION

As at the date of this announcement, Huafa Technology Industry Group (and any parties acting in concert with it) and Hong Kong Huafa jointly hold, control or direct approximately 74.99% of the total number of issued shares of the Company, and both Huafa Technology Industry Group and Hong Kong Huafa are subsidiaries of Zhuhai Huafa. Accordingly, Zhuhai Huafa is a controlling shareholder and a connected person of the Company. Beijing Shangfang, being a 30%-controlled company indirectly held by Zhuhai Huafa, is an associate of Zhuhai Huafa and hence a connected person of the Company. As such, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transaction contemplated thereunder constitutes the continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the proposed cap under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement is over 0.1% but less than 5%, the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement is subject to the reporting and announcement requirements but exempt from circular and the independent Shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules.

GENERAL INFORMATION

Each of the Directors, namely Ms. Xu Jili, Ms. Xu Liping, Mr. Xie Hui, Mr. Jia Zhaojie and Ms. Pan Anran holds positions in Zhuhai Huafa and/or its subsidiaries, and Mr. Liu Donghai, a Director, shall act in accordance with the will of Huafa Technology Industry Group pursuant to a concert party agreement dated 29 January 2021, and therefore the above Directors are deemed to be materially interested in the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, and they have abstained from voting at the Board meeting for approving the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement (including the proposed cap). Save as disclosed above, none of the Directors has any material interest in the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement that would require them to abstain from voting at the Board meeting for approving the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement (including the proposed cap).

Taking into account of the relevant pricing policies, the basis for determining the proposed cap, the reasons for and benefits of entering into the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the Company's internal control procedures and corporate governance measures, the Directors (including the independent non-executive Directors) are of the view that the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement (including the proposed cap) are entered into in the ordinary and usual course of business of the Group on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“30%-controlled company”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing Shangfang”	Beijing Shangfang Intelligent Clean Energy Company Limited* (北京尚方智慧清洁能源有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Zhuhai Shangfang
“Board”	the board of Directors
“Company”	Beijing Digital Telecom Co., Ltd. (北京迪信通商貿股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares are listed on the Stock Exchange, stock code: 6188
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	the ordinary share(s) of the Company, with a par value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Huafa”	Hong Kong Huafa Investment Holdings Limited (香港華發投資控股有限公司), a company incorporated in Hong Kong with limited liability, and a subsidiary of Zhuhai Huafa and a controlling shareholder of the Company
“Huafa Technology Industry Group”	Zhuhai Huafa Technology Industry Group Co., Ltd.* (珠海華發科技產業集團有限公司) (formerly known as Zhuhai Huafa Industrial Investment Holding Co., Ltd.* (珠海華發實體產業投資控股有限公司)), a limited liability company established in the PRC, and a subsidiary of Zhuhai Huafa and controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Photovoltaic Equipment”	the photovoltaic equipment and components, including but not limited to photovoltaic modules, inverters, racking, distribution boxes, cables and auxiliary materials, to be sold by the Group to Beijing Shangfang pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement
“Photovoltaic Equipment and Components Purchase and Sales Framework Agreement”	the framework agreement for the sale of the Photovoltaic Equipment dated 6 February 2024 entered into between the Company and Beijing Shangfang
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhuhai Huafa” Zhuhai Huafa Group Company Limited (珠海華發集團有限公司), a state-owned enterprise owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People’s Government* (珠海市人民政府國有資產監督管理委員會) and Department of Finance of Guangdong (廣東省財政廳) as to 93.51% and 6.49%, respectively, and a controlling shareholder of the Company

“Zhuhai Shangfang” Zhuhai Shangfang Intelligent Clean Energy Company Limited* (珠海尚方清潔能源科技有限公司), a limited liability company established in the PRC

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

Beijing, the PRC
6 February 2024

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

* *For identification purposes only*