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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN BEIJING DIGITAL (SPAIN)**

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, on 9 April 2021, the Company and Henan Digital entered into the Equity Transfer Agreement, pursuant to which, the Company agreed to dispose of, and Henan Digital agreed to purchase, 100% of equity interest in Beijing Digital (Spain) at a consideration of RMB89 million.

Immediately after the completion of the Equity Transfer Agreement, the Company will not directly hold any equity interest in Beijing Digital (Spain), but will indirectly hold 100% of equity interest in Beijing Digital (Spain) through Henan Digital, and therefore Beijing Digital (Spain) will remain as a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) for the transaction contemplated under the Equity Transfer Agreement is more than 5% but less than 25%, the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company, and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, on 9 April 2021, the Company and Henan Digital entered into the Equity Transfer Agreement, pursuant to which, the Company agreed to dispose of, and Henan Digital agreed to purchase, 100% of equity interest in Beijing Digital (Spain). The principal terms of the Equity Transfer Agreement are set out below:

Date: 9 April 2021

Parties: (1) The Company (as transferor)
(2) Henan Digital (as transferee)

Subject matter: The Company agreed to dispose of 100% of equity interest in Beijing Digital (Spain) to Henan Digital

Consideration and payment: The consideration for the transfer is RMB89 million, which shall be settled in cash by Henan Digital to the Company.

In order to support the expansion of the Company's business market in Spain, Henan Digital had provided capital support amounted to RMB37,719,040.5 to the Company before 9 March 2021. As agreed by both parties, the aforesaid capital support can be offset against the amount of consideration for the equity transfer, therefore the actual amount of consideration for the equity transfer payable by Henan Digital under the Equity Transfer Agreement shall be RMB51,280,959.5.

Henan Digital shall pay RMB51,280,959.5 to the Company within 10 working days after the entering into the Equity Transfer Agreement.

Pricing basis: The consideration was determined after arm's length negotiations between the parties by reference to the appraised value of the net assets of Beijing Digital (Spain) as at 31 January 2021 (the valuation base date). The appraised value of the net assets of Beijing Digital (Spain) by an independent valuer is RMB89,718,734.29.

Completion: The Company shall complete the corresponding registration procedures for the change of business within 30 working days from the effective date of the Equity Transfer Agreement.

Immediately after the completion of the Equity Transfer Agreement, the Company will not directly hold any equity interest in Beijing Digital (Spain), but will indirectly hold 100% of equity interest in Beijing Digital (Spain) through Henan Digital, and therefore Beijing Digital (Spain) will remain as a subsidiary of the Company.

INFORMATION ON BEIJING DIGITAL (SPAIN)

Beijing Digital (Spain) is a company incorporated in Madrid with limited liability on 13 April 2018, and is principally engaged in the distribution of cell phones, communication services and peripheral equipment. As at the date of this announcement, Beijing Digital (Spain) is a wholly-owned subsidiary of the Company.

Key financial data of Beijing Digital (Spain) prepared in accordance with the PRC Accounting Standards for Business Enterprises for the two years ended 31 December 2020 is set out below:

	For the year ended 31 December 2019 EUR (Audited)	For the year ended 31 December 2020 EUR (Audited)
Revenue	37,481,164.11	70,553,607.40
Profit before tax	2,305,227.46	2,070,022.39
Profit after tax	2,081,338.58	1,669,262.52

According to the financial data prepared by Beijing Digital (Spain) in accordance with the PRC Accounting Standards for Business Enterprises, the audited total assets and net assets of Beijing Digital (Spain) as at 31 December 2020 amounted to EUR17,884,560.02 and EUR8,821,045.65, respectively.

FINANCIAL IMPACT OF THE EQUITY TRANSFER AGREEMENT

Immediately after the completion of the Equity Transfer Agreement, Beijing Digital (Spain) will remain as a subsidiary of the Company and its financial information will continue to be consolidated into the financial statements of the Group.

It is expected that the Company will recognize a net gain (before tax) of approximately RMB51.28 million from the Disposal, which is estimated based on the actual amount of consideration for the equity transfer payable by Henan Digital under the Equity Transfer Agreement. The net proceeds from the Disposal, net of expenses payable on the Disposal, are estimated to be approximately RMB38.46 million. The above estimations are for illustrative purposes only and are subject to review and confirmation by the auditors of the Company. The net proceeds are expected to be used as operating expenses of the principal business of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Given that the Company is making adjustment to its operation and management of overseas market, the Disposal will be beneficial to the sustainable and steady development of business in Spain.

The Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement was entered into on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND HENAN DIGITAL

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 communications equipment at home and abroad.

Henan Digital

Henan Digital is a company incorporated in the PRC with limited liability on 12 January 2011. Henan Digital is mainly engaged in sales of communication equipment.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) for the transaction contemplated under the Equity Transfer Agreement is more than 5% but less than 25%, the entering into of the Equity Transfer Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company, and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITION

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

“Board”	the board of directors of the Company
“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
“Henan Digital”	Henan Digital Trading Company Limited (河南迪信通商貿有限公司), a company incorporated in the PRC with limited liability, which is held as to 60% and 40% by the Company and Mr. Tang Cheng (唐成), respectively, as at the date of this announcement. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Mr. Tang Cheng is a third party independent of the Company and its connected persons
“Director(s)”	director(s) of the Company
“Disposal”	the Company disposes of 100% of its equity interest in Beijing Digital (Spain) to Henan Digital pursuant to the Equity Transfer Agreement

“Equity Transfer Agreement”	the equity transfer agreement dated 9 April 2021 entered into between the Company and Henan Digital, pursuant to which, the Company agreed to dispose of, and Henan Digital agreed to purchase, 100% of equity interest in Beijing Digital (Spain)
“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
“Shareholder(s)”	holder(s) of the shares of the Company
“Beijing Digital (Spain)”	BEIJING DIGITAL (SPAIN), S.L., a company incorporated in Madrid with limited liability, which is 100% owned by the Company as at the date of this announcement
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

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

Beijing, the PRC
9 April 2021

As at the date of this announcement, the executive Directors are Mr. LIU Donghai, Mr. LIU Yajun and Ms. LIU Wencui; 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.