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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)

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION FINANCIAL SERVICES AGREEMENT

FINANCIAL SERVICES AGREEMENT

Reference is made to the joint announcement dated 3 June 2021 jointly issued by the Company, Zhuhai Huafa Industrial and Hong Kong Huafa in relation to, among other things, the close of the Offers and the results of the Offers. Immediately after the close of the Offers and as at the date of this announcement, Zhuhai Huafa Industrial (and any parties acting in concert with it) and Hong Kong Huafa jointly hold approximately 90.76% of the issued Shares of the Company and both Zhuhai Huafa Industrial and Hong Kong Huafa are direct wholly-owned subsidiaries of Zhuhai Huafa. Thus, Zhuhai Huafa is the controlling shareholder of the Company as defined under the Listing Rules and a connected person of the Company. Huafa Finance Company, a subsidiary of Zhuhai Huafa, is therefore a connected person of the Company. As such, the Financial Services Agreement and the transactions contemplated thereunder constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 23 July 2021, the Company entered into the Financial Services Agreement with Huafa Finance Company, pursuant to which, Huafa Finance Company agreed to provide financial services to the Group.

LISTING RULES IMPLICATIONS

For the deposit services to be provided by Huafa Finance Company to the Group, as the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of deposit services is more than 5%, the deposit services are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the highest applicable percentage ratio in respect of the deposit services exceeds 25%, the deposit services constitute a major transaction of the Company and are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

For the loan services to be provided by Huafa Finance Company to the Group, as the loan services are entered into on normal commercial terms and no security over the assets of the Group will be granted in respect of the loan services, the loan services constitute financial assistance to be provided by a connected person for the benefit of the Group under the Listing Rules and can be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

For Other Financial Services to be provided by Huafa Finance Company to the Group, as the highest applicable percentage ratio in respect of Other Financial Services is more than 0.1% but less than 5%, Other Financial Services are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but exempt from the independent Shareholders' approval requirement.

APPROVAL OF THE BOARD AND INDEPENDENT SHAREHOLDERS

As at the date of this announcement, each of the Directors, namely Ms. Xu Liping, Ms. Xu Jili, Mr. Li Guangning, Ms. Guo Jin and Mr. Gao Dali, are serving in Zhuhai Huafa and/or its subsidiaries, and Mr. Liu Donghai, a Director, shall act in accordance with the will of Zhuhai Huafa Industrial pursuant to the concert party agreement dated 29 January 2021, therefore the above Directors are deemed to be materially interested in the Financial Services Agreement and have abstained from voting at the Board meeting for approving the transactions contemplated under the Financial Services Agreement and its proposed annual cap. Save as disclosed above, none of the Directors has any material interest in the Financial Services Agreement and is required to abstain from voting at the Board meeting for approving the transactions contemplated under the Financial Services Agreement and its proposed annual cap.

Taking into account of the relevant pricing policy, the basis for determining the proposed annual cap, the reasons for and benefit of entering into the Financial Services Agreement, the Company's internal control procedures and corporate governance practices as well as the capital risk control measures, the Directors (including the independent non-executive Directors) are of the view that the Financial Services Agreement and its proposed annual 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.

As the deposit services under the Financial Services Agreement and its proposed annual cap are subject to the approval of independent Shareholders, the Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the independent Shareholders in relation to the deposit services under the Financial Services Agreement and its proposed annual cap. Innovax has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders on the same issue.

EXTRAORDINARY GENERAL MEETING

The extraordinary general meeting will be convened by the Company for the consideration and approval of the deposit services under the Financial Services Agreement and its proposed annual cap. As additional time is required by the Company for preparing and finalizing the relevant information for inclusion in the circular, a circular containing, among others, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, together with a notice convening the extraordinary general meeting, is expected to be dispatched to the Shareholders on or before 26 August 2021 in accordance with the Listing Rules.

BACKGROUND

Reference is made to the joint announcement dated 3 June 2021 jointly issued by the Company, Zhuhai Huafa Industrial and Hong Kong Huafa in relation to, among other things, the close of the Offers and the results of the Offers. Immediately after the close of the Offers and as at the date of this announcement, Zhuhai Huafa Industrial (and any parties acting in concert with it) and Hong Kong Huafa jointly hold approximately 90.76% of the issued Shares of the Company and both Zhuhai Huafa Industrial and Hong Kong Huafa are direct wholly-owned subsidiaries of Zhuhai Huafa. Thus, Zhuhai Huafa is the controlling shareholder of the Company as defined under the Listing Rules and a connected person of the Company. Huafa Finance Company, a subsidiary of Zhuhai Huafa, is therefore a connected person of the Company. As such, the Financial Services Agreement and the transactions contemplated thereunder constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 23 July 2021, the Company entered into the Financial Services Agreement with Huafa Finance Company, pursuant to which, Huafa Finance Company agreed to provide financial services to the Group.

FINANCIAL SERVICES AGREEMENT

The principal terms of the Financial Services Agreement are set out as follows:

Date	23 July 2021
Parties	(i) the Company (ii) Huafa Finance Company
Duration	From 23 July 2021 to 31 December 2023
Condition precedent	The Financial Services Agreement is subject to the review and approval of deposit services thereunder and its proposed annual cap by the independent Shareholders' at the extraordinary general meeting of the Company.
Subject matter	<p>Huafa Finance Company agreed to provide the Group with the following financial services pursuant to the terms and conditions of the Financial Services Agreement:</p> <p>(1) deposit services, including but not limited to current deposit, time deposit, call deposit and agreement deposit, etc.</p> <p>The Group's daily deposit balance (including accrued interests) in Huafa Finance Company shall not exceed RMB2 billion.</p> <p>(2) loan services, including but not limited to fixed asset loans, project revolving loans, working capital loans, bill acceptance and discount, letters of credit, letters of guarantee, accounts receivable factoring, and commercial bills discounting, etc.</p> <p>The loan services shall be provided to the Group in accordance with normal commercial terms by Huafa Finance Company. No security over the assets, security over the rights or other guarantees of the Group shall be provided for the loans.</p> <p>The highest comprehensive credit limit of the Group that may be applied on a revolving basis shall not exceed RMB2 billion.</p>

- (3) Settlement services, commercial drafts insurance services, foreign exchange settlement and sales services (subject to Huafa Finance Company obtaining the qualification approval of the foreign exchange settlement and sales business by relevant regulatory authorities), guarantee services and other financial services approved by CBIRC (collectively “**Other Financial Services**”).

Subject to the terms and conditions of the Financial Services Agreement, the Group shall sign further specific contracts with Huafa Finance Company in relation to the deposit services, loan services and Other Financial Services to set out the specific matters for providing such services.

PRICING POLICY

Huafa Finance Company has undertaken to provide the above financial services to the Group in accordance with the following pricing policies:

- (1) the deposit interest rate provided by Huafa Finance Company to the Group shall be determined by the parties after arm’s length negotiations with reference to the interest rate provided by general commercial banks within PRC for the deposits of the same type and term, but not lower than: (i) the benchmark interest rate in the same period promulgated by the PBC for deposits of the same type; (ii) the interest rate provided by general commercial banks within PRC for the deposits of the same type and term; and (iii) the interest rate provided by Huafa Finance Company to any third parties for the deposits of the same type and term;
- (2) the loan interest rate granted by Huafa Finance Company to the Group is determined by the parties after arm’s length negotiations, but shall not be higher than the interest rate provided by general commercial banks within PRC for the loan with the same type and term;
- (3) the internal settlement services provided by Huafa Finance Company to the Group are free of service charge; and
- (4) the fees charged by Huafa Finance Company for provision of Other Financial Services (except internal settlement services) to the Group shall not be higher than: (i) the fees charged by other PRC financial institutions for same or similar type of services; (ii) the cap of the fees (if applicable) stipulated by PBC to be charged for same or similar type of services; and (iii) the fees charged by Huafa Finance Company for provision of same type of services to any third parties with the same credit rating.

HISTORICAL TRANSACTION AMOUNT

Before entering into the Financial Services Agreement, the Group has entered into a relevant loan agreement with Huafa Finance Company in respect of loan services. As of the date of this announcement, the total amount of loan transactions between the Group and Huafa Finance Company was RMB680 million. As the above loan services provided by Huafa Finance Company to the Group are entered into on normal commercial terms and no security over the assets of the Group has been granted in respect of the loan services, the above loan services can be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements pursuant to the Rule 14A.90 of the Listing Rules.

Save as disclosed above, before entering into the Financial Services Agreement, the Group did not conduct any transactions with Huafa Finance Company in respect of other financial services.

PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION

Deposit Services

The Company proposed that the daily deposit balance cap (including any accrued interest) in Huafa Finance Company shall be RMB2 billion for each of the three years ending 31 December 2023, having considered:

- (i) the daily deposit balances of the Group at banks for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 were RMB708.5476 million, RMB666.2451 million and RMB71.4127 million, respectively;
- (ii) the daily maximum balance of cash and cash equivalents (including any interest accrued thereon) of the Group for the year ended 31 December 2020 was RMB194.1093 million;
- (iii) the operating cash flow requirements and financial requirements for the Group's operation and business expansion in the future; and
- (iv) based on the fact that Huafa Finance Company is supervised by CBIRC and maintains satisfactory operating results and financial position, and implements good risk control and standardized management to reduce potential risks, it is expected that the interest income from the deposits at Huafa Finance Company will increase accordingly.

Loan Services

As the loan services to be provided by Huafa Finance Company to the Group are entered into on normal commercial terms and no security over the assets of the Group will be granted in respect of the loan services, the loan services can be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements pursuant to the Rule 14A.90 of the Listing Rules. The Group's highest comprehensive credit limit that may be applied on a revolving basis during the three years ending 31 December 2023 shall not exceed RMB2 billion.

Other Financial Services

The Company proposed that the annual cap for the total amount payable to Huafa Finance Company in respect of Other Financial Services shall be RMB10 million for each of the three years ending 31 December 2023, having considered:

- (i) the carrying amounts of issued commercial bank drafts, rates of handling fees of issuing drafts and maximum number of issuing drafts by the Group for the year ended 31 December 2020; and
- (ii) following the innovation in financial services, the Group's future business demands for Other Financial Services in accordance with the development goal of the Company in the coming three years.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES AGREEMENT

Huafa Finance Company is a non-bank financial institution regulated by PBC and CBIRC and is authorized to provide various financial services to the Group. The principal reasons for and the benefits of entering into the Financial Services Agreement are as follows:

- (i) the Group can use Huafa Finance Company as a medium to facilitate more efficient deployment of funds among the Company's subsidiaries;
- (ii) the Group can maximize the efficiency of the Group's capital by expanding the use of the available funds and by using the funds collected to repay the external commercial loans of the Company's subsidiaries;
- (iii) this can promote capital liquidity within the Group, enhance the overall solvency of the Group and help monitor financial risks;
- (iv) this will help to save finance costs, which in turn will enhance the profitability of the Group and the Shareholders of the Company (including the minority Shareholders) will be able to benefit from it;
- (v) this allows for quick and accurate monitoring and regulation of the use of the Group's funds;
- (vi) since its incorporation, Huafa Finance Company has a sound organizational structure and standardized internal control mechanism, and its operating conditions are sound and its financial results are good without any irregularities; and
- (vii) the Group expects a high frequency of daily usage of the centralized electronic clearing system on the cash management platform provided by Huafa Finance Company in the future due to the following reasons:
 - since the incorporation of Huafa Finance Company, the financial services arrangements and related systems have been developed into an efficient cash management platform with the capability to handle a large number of transactions;

- the Group will have greater bargaining power to negotiate with Huafa Finance Company on the terms and conditions of the financial services arrangement as larger size of the funds involved; and
- the deposit services provided by Huafa Finance Company do not require a pre-determined notice period for withdrawals, providing the Group with greater flexibility in cash management.

The Directors (including the independent non-executive Directors) are of the view that the Financial Services Agreement and its proposed annual 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.

LISTING RULES IMPLICATIONS

Reference is made to the joint announcement dated 3 June 2021 jointly issued by the Company, Zhuhai Huafa Industrial and Hong Kong Huafa in relation to, among other things, the close of the Offers and the results of the Offers. Immediately after the close of the Offers and as at the date of this announcement, Zhuhai Huafa Industrial (and any parties acting in concert with it) and Hong Kong Huafa jointly hold approximately 90.76% of the issued Shares of the Company and both Zhuhai Huafa Industrial and Hong Kong Huafa are direct wholly-owned subsidiaries of Zhuhai Huafa. Thus, Zhuhai Huafa is the controlling shareholder of the Company as defined under the Listing Rules and a connected person of the Company. Huafa Finance Company, a subsidiary of Zhuhai Huafa, is therefore a connected person of the Company. As such, the Financial Services Agreement and the transactions contemplated thereunder constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Deposit Services

For the deposit services to be provided by Huafa Finance Company to the Group, as the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the deposit services is more than 5%, the deposit services are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the highest applicable percentage ratio in respect of the deposit services exceeds 25%, the deposit services constitute a major transaction of the Company and are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Loan Services

For the loan services to be provided by Huafa Finance Company to the Group, as the loan services are entered into on normal commercial terms and no security over the assets of the Group will be granted in respect of the loan services, the loan services constitute financial assistance to be provided by a connected person for the benefit of the Group under the Listing Rules and can be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

Other Financial Services

For Other Financial Services to be provided by Huafa Finance Company to the Group, as the highest applicable percentage ratio in respect of Other Financial Services is more than 0.1% but less than 5%, Other Financial Services are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but exempt from the independent Shareholders' approval requirement.

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

Deposit Services

The Company has adopted internal control and monitoring procedures relating to the deposit services, including: (i) before entering into any deposit arrangements with Huafa Finance Company, the Company will negotiate with Huafa Finance Company on an arm's length basis in respect of the deposit interest rate of the deposit services, and ensure that such interest rate is determined: (1) by reference to and is not lower than the benchmark interest rate then published by the PBC for deposits of same term and same type and in case of any change in the benchmark deposit interest rate, the deposit interest rate to be payable by Huafa Finance Company shall be determined by reference to and not lower than such benchmark deposit interest rate; and (2) by reference to and is not lower than the deposit interest rate offered by at least four other independent domestic commercial banks in the PRC for deposit services of the same type on normal commercial terms. As such, the Company will be able to ensure the deposit interest rate of the deposit services will not be less favourable than that published by the PBC for deposits of same term and same type and that offered by four other independent domestic commercial banks in the PRC for deposits of same term and same type; in the event that upon receiving deposit certificate which shows the deposit interest rate offered by Huafa Finance Company, and the Company notes that the deposit interest rate offered by Huafa Finance Company is lower than the then negotiated deposit interest rate offered by the PBC, the Company will require Huafa Finance Company to provide the differences in the interest portion to the Company; (ii) finance department of the Company will monitor the deposit services on a daily basis to ensure the proposed annual cap will not be exceeded; (iii) finance department of the Company will report to the management of the Company, giving an update of the deposit arrangements entered into with Huafa Finance Company on a monthly basis; (iv) the Directors (including the independent non-executive Directors) will review the transactions contemplated under the Financial Services Agreement and its proposed annual cap each year, to ensure that the transactions contemplated under the Financial Services Agreement are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and the Shareholders as a whole; and (v) the auditor of the Company will perform annual reviews on the pricing and annual cap of such transactions.

Loan Services

The internal control procedures adopted by the Company in relation to the loan services include, among others, during a certain period of time before the financing, the Company will take the initiative to locate independent domestic commercial banks in the PRC, inquire about the financing costs, undergo a comprehensive comparison according to the preferential conditions, interest rates and financing procedures given by each independent domestic commercial bank in the PRC in the negotiation process to determine the optimal choice to ensure that the Company's financing is most cost-effective.

Other Financial Services

The internal control procedures adopted by the Company in relation to Other Financial Services include, among others, the Company will utilize a certain period of time before receiving Other Financial Services to locate independent domestic financial institutions in the PRC, inquire about the service fee rates, undergo a comprehensive comparison according to the preferential conditions and service fee rates given by each independent domestic financial institution in the PRC in the negotiation process to determine the optimal choice to ensure that the Company's Other Financial Services are most cost-effective.

Taking into account of the relevant pricing policy, the basis for determining the proposed annual cap, the reasons for and benefit of entering into the Financial Services Agreement as well as the Company's internal control procedures and corporate governance measures, the Directors (including the independent non-executive Directors) are of the view that the Financial Services Agreement and its proposed annual 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. At the same time, the Company considers that it has adequate mechanisms and internal control procedures in place to ensure compliance and strict adherence to the terms of the Financial Services Agreement in respect of the continuing connected transactions.

CAPITAL RISK CONTROL MEASURES

- (i) Huafa Finance Company will ensure the safe operation of the funds management information system, all of which has passed the security test in respect of the interface of online banking of commercial banks, so as to ensure the security of the funds of the Group;
- (ii) Huafa Finance Company will ensure that it operates in strict compliance with the risk monitoring indicators for financial institutions issued by the CBIRC and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the CBIRC;
- (iii) Zhuhai Huafa has undertaken to the CBIRC that, in the event that Huafa Finance Company is in urgent difficulty in making payment, Zhuhai Huafa will increase capital funding accordingly based on the actual need to solve such problem; and
- (iv) The capital balance of the Group exceeding the daily maximum deposit at Huafa Finance Company will be deposited into one or more commercial banks as deposits.

THE BOARD'S OPINION

As at the date of this announcement, each of the Directors, namely Ms. Xu Liping, Ms. Xu Jili, Mr. Li Guangning, Ms. Guo Jin and Mr. Gao Dali, has served in Zhuhai Huafa and/or its subsidiaries, and Mr. Liu Donghai, a Director, shall act in accordance with the will of Zhuhai Huafa Industrial pursuant to the concert party agreement dated 29 January 2021, and therefore the above Directors are deemed to be materially interested in the Financial Services Agreement and have abstained from voting at the Board meeting for approving the transactions contemplated under the Financial Services Agreement and its proposed annual cap. Save as disclosed above, none of the Directors has any material interest in the Financial Services Agreement and is required to abstain from voting at the Board meeting for approving the transactions contemplated under the Financial Services Agreement and its proposed annual cap.

Taking into account of the relevant pricing policy, the basis for determining the proposed annual cap, the reasons for and benefit of entering into the Financial Services Agreement, the Company's internal control procedures and corporate governance measures as well as the capital risk control measures, the Directors (including the independent non-executive Directors) are of the view that the Financial Services Agreement and its proposed annual 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.

APPROVAL OF INDEPENDENT SHAREHOLDERS

As the deposit services under the Financial Services Agreement and its proposed annual cap are subject to the approval of the independent Shareholders, the Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the independent Shareholders in relation to the deposit services under the Financial Services Agreement and its proposed annual cap. Innovax has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders on the same issue.

In view of the material interest held by Zhuhai Huafa in the Financial Services Agreement, Zhuhai Huafa Industrial (and any parties acting in concert with it) and Hong Kong Huafa, both being the wholly-owned subsidiaries of Zhuhai Huafa, hold approximately 90.76% of the issued Shares of the Company in aggregate as at the date of this announcement and are required to abstain from voting on the resolutions proposed at the extraordinary general meeting of the Company for approving the deposit services under the Financial Services Agreement and its proposed annual cap.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, save as disclosed herein, none of other Shareholders is required to abstain from voting on relevant resolutions.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened by the Company for the consideration and approval of the deposit services under the Financial Services Agreement and its proposed annual cap. As additional time is required by the Company for preparing and finalizing the relevant information for inclusion in the circular, a circular containing, among others, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, together with a notice convening the extraordinary general meeting, is expected to be dispatched to the Shareholders on or before 26 August 2021 in accordance with the Listing Rules.

GENERAL INFORMATION

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 sales of communication equipment at home country and abroad.

Huafa Finance Company

Huafa Finance Company is a limited liability company established in the PRC and a subsidiary of Zhuhai Huafa. Huafa Finance Company is a currency financial services company, and the scope of its operations mainly includes the handling of deposits, loans, settlements and other related businesses, as well as the provision of consulting and agency business such as financial and financing consulting and credit verification services, etc. The ultimate beneficial owner of Huafa Finance Company is Zhuhai Huafa.

Zhuhai Huafa

Zhuhai Huafa is a large state-owned conglomerate in the PRC with its business operations primarily conducted in Zhuhai City, Guangdong Province, which is situated at the southern end of the Pearl River Delta. Zhuhai Huafa was established as a wholly state-owned enterprise in 1980 and is under the direct supervision of Zhuhai SASAC. Zhuhai Huafa and its subsidiaries initially focused on property development in Zhuhai, and has since expanded into other cities and diversified to include other businesses. Currently, Zhuhai Huafa and its subsidiaries are primarily engaged in six major businesses, namely urban operations, financial services, property development, industrial investment, sales and trading and modern services. In addition, Zhuhai Huafa and its subsidiaries also engage in other businesses which are incidental to their six major businesses.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“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(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 per share, which are subscribed for and paid up in RMB
“Financial Services Agreement”	a financial services agreement entered into between the Company and Huafa Finance Company on 23 July 2021
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 per share, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the 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 controlling shareholder of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Huafa Finance Company”	Zhuhai Huafa Group Finance Co., Ltd.* (珠海華發集團財務有限公司), a limited liability company established in the PRC and a subsidiary of Zhuhai Huafa
“Independent Board Committee”	the independent board committee of the Board, comprising all of the independent non-executive Directors, formed to advise the independent Shareholders in respect of the deposit services under the Financial Services Agreement and its proposed annual cap
“Independent Financial Adviser” or “Innovax”	Innovax Capital Limited, a corporation licensed under the SFO permitted to engage in Type 1 and Type 6 regulated activities (as defined under the SFO), being the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the deposit services under the Financial Services Agreement and its proposed annual cap
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“major transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Offers”	the mandatory conditional cash offer made by Zhuhai Huafa Industrial for the Domestic Shares (other than those already owned or agreed to be acquired by Zhuhai Huafa Industrial and parties acting in concert with it) in accordance with the Takeovers Code; and the mandatory conditional cash offer made by Guotai Junan Securities (Hong Kong) Limited on behalf of Hong Kong Huafa to acquire the H Shares in accordance with the Takeovers Code
“PBC”	the People’s Bank of China, the central bank of the PRC
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Domestic Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of the Company’s Share(s)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Zhuhai Huafa”	Zhuhai Huafa Group Co., Ltd.* (珠海華發集團有限公司), a PRC state-owned enterprise wholly-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 a controlling shareholder of the Company, Zhuhai Huafa Industrial and Hong Kong Huafa
“Zhuhai Huafa Industrial”	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 controlling shareholder of the Company
“%”	per cent.

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

Beijing, the PRC
23 July 2021

As at the date of this announcement, the executive Directors are Ms. XU Liping and Mr. LIU Donghai; the non-executive Directors are Ms. XU Jili, Mr. LI Guangning, Ms. GUO Jin and Mr. GAO Dali; and the independent non-executive Directors are Mr. LV Tingjie, Mr. LV Pingbo and Mr. CAI Chun Fai.

* For identification purpose only