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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)**

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#### **FORMATION OF THE JOINT VENTURE**

The Board is pleased to announce that on 24 October 2024 (after trading hours), the Company entered into the Joint Venture Agreement with Huashi Zhiyuan, pursuant to which the parties agreed to establish the Joint Venture to carry out the businesses in the fields of new energy, information technology and modern agriculture, etc. in the PRC.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture will be RMB3,000,000,000. The Company will contribute RMB1,530,000,000 and Huashi Zhiyuan will contribute RMB1,470,000,000 towards the registered capital of the Joint Venture. Upon establishment of the Joint Venture, the Company and Huashi Zhiyuan will hold 51% and 49% equity interest in the Joint Venture, respectively. The Joint Venture will be treated as a subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

## **SECOND SUPPLEMENTAL AGREEMENT TO THE 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT**

References are made to (i) the announcement of the Company dated 25 September 2023 in relation to, among others, the continuing connected transaction of the Deposit Services under the 2024–2026 Financial Services Framework Agreement; and (ii) the announcement of the Company dated 11 March 2024 and the circular of the Company dated 30 April 2024 in relation to, among others, the discloseable transaction and continuing connected transaction in relation to the revision of the annual caps for the Deposit Services under the 2024–2026 Financial Services Framework Agreement.

The Board has reviewed the existing continuing connected transaction of the Deposit Services (including the existing annual caps) contemplated under the 2024–2026 First Supplemental Financial Services Framework Agreement. In view of the ongoing expansion of the Group’s business and operational scale, as well as the intention of the Company and Huashi Zhiyuan to have their contributed registered capital of the Joint Venture deposited into the Joint Venture’s account maintained with Huafa Finance Company after its establishment for better capital management, the Board anticipates that the demand of the Group for the Deposit Services will exceed the previous projection to the effect that the existing annual caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement will not be sufficient to meet the increased demand of the Group. In addition, taking into account the continued business development of the Group, Huafa Finance Company and the Group intend to increase the existing annual caps in respect of the credit limit for the credit services to be provided by Huafa Finance Company to the Group under the 2024–2026 Financial Services Framework Agreement.

Accordingly, on 24 October 2024 (after trading hours), the Company and Huafa Finance Company entered into the Second Supplemental Agreement to increase the existing annual caps for the Deposit Services and the credit services for the years ending 31 December 2024, 2025 and 2026 to the Revised Annual Caps in order to cater for the Group’s increased demand for such services, facilitate the Group in the overall capital management and capture its potential business growth.

The Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps are conditional upon the approval by the independent Shareholders at the EGM. In any event, prior to obtaining the approval from the independent Shareholders at the EGM, the Company shall continue to comply with the terms of the Deposit Services and its existing annual caps under the 2024–2026 First Supplemental Financial Services Framework Agreement.

## **2025–2027 PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT**

References are made to the announcement of the Company dated 11 March 2024 and the circular of the Company dated 30 April 2024 in relation to, among others, the continuing connected transaction under the Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement entered into between the Company and Beijing Shangfang.

As the Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement will expire on 31 December 2024 and the Group expects to continue to carry on the transactions contemplated thereunder upon its expiry, on 24 October 2024 (after trading hours), the Company entered into the 2025–2027 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 Group for a term of three years from 1 January 2025 and ending on 31 December 2027.

The 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are conditional upon the approval by the independent Shareholders at the EGM.

### **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, each of Zhuhai Huafa, Huafa Technology Industry Group and Hong Kong Huafa is a controlling shareholder and a connected person of the Company. Huashi Zhiyuan, being a subsidiary of Huafa Technology Industry Group, is a connected person of the Company. Huafa Finance Company, being a subsidiary of Zhuhai Huafa, is also 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 transactions contemplated under the Joint Venture Agreement constitutes connected transaction of the Company, and the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) and the transactions contemplated under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Joint Venture Agreement exceeds 100%, the transaction contemplated under the Joint Venture Agreement constitutes a major transaction (as it does not involve an acquisition or disposal of assets) and a non-exempt connected transaction of the Company, and are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

In respect of the Deposit Services to be provided by Huafa Finance Company to the Group, as the highest applicable percentage ratio in respect of the Revised Deposit Caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) is more than 5%, the Deposit Services constitute a non-exempt continuing connected transaction of the Company, and 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 Revised Deposit Caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) exceeds 100%, the Deposit Services constitute a major transaction of the Company (as the Deposit Services do not involve an acquisition or disposal of assets), and are subject to the reporting, announcement and the Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

In respect of the Revised Credit Caps for the credit services under the Second Supplemental Agreement to the 2024–2026 Financial Services Framework Agreement, as the credit services to be provided by Huafa Finance Company to the Group are entered into on normal commercial terms or better, fair and reasonable and no security over the assets of the Group will be provided in respect of the credit services, the credit services constitute financial assistance to be provided by a connected person for the benefit of the Group under the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the sale of the Photovoltaic Equipment under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement exceed 5%, the transactions contemplated under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement constitute non-exempt continuing connected transactions of the Company, and are subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

#### **THE EGM AND DESPATCH OF THE CIRCULAR**

The Company will convene the EGM to consider and, if thought fit, approve (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

In view of the material interest held by Zhuhai Huafa in the Joint Venture Agreement, the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, Huafa Technology Industry Group (and any parties acting in concert with it) and Hong Kong Huafa, both being the subsidiaries of Zhuhai Huafa, jointly hold, control or direct approximately 74.99% of the total number of issued shares of the Company as at the date of this announcement, are therefore required to abstain from voting on the resolutions proposed at the EGM for approving (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save for the above, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the aforesaid resolutions to be proposed at the EGM and will be required to abstain from voting at the EGM.

Given that (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are subject to independent Shareholders’ approval, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lv Tingjie, Mr. Lv Pingbo and Mr. Cai Chun Fai, has been established to advise the independent Shareholders in respect of the above transactions. Innovax has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the aforesaid transactions.

A circular containing, among others, (i) details of the Joint Venture Agreement and the transactions contemplated thereunder; (ii) details of the Second Supplemental Agreement and the transactions contemplated thereunder (including the Revised Deposit Caps); (iii) details of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps); (iv) a letter from the Independent Board Committee to the independent Shareholders; and (v) the recommendation of Innovax to the Independent Board Committee and the independent Shareholders, is expected to be published and/or despatched to the Shareholders on or before 25 November 2024 as additional time is required to prepare certain information for inclusion in the circular.

## **INTRODUCTION**

The Board is pleased to announce that on 24 October 2024 (after trading hours), the Company entered into the Joint Venture Agreement with Huashi Zhiyuan, pursuant to which the parties agreed to establish the Joint Venture to carry out the businesses in the fields of new energy, information technology and modern agriculture, etc. in the PRC.

## **FORMATION OF THE JOINT VENTURE**

The principal terms of the Joint Venture Agreement are as follows:

**Date:** 24 October 2024 (after trading hours)

**Parties:** (1) the Company; and  
(2) Huashi Zhiyuan

**Subject matter:** The parties shall establish the Joint Venture in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, the PRC.

The proposed name of the Joint Venture is Zhuhai Dixintong Green Technology Company Limited\* (珠海迪信通綠色科技有限公司), subject to the registration by the market supervision and management department of the PRC.

The scope of the principal business of the Joint Venture includes investment, construction and operation of the businesses in the fields of new energy, information technology and modern agriculture, etc. Based on the business operation or development of the Joint Venture, the principal business of the Joint Venture may be adjusted after mutual agreement of the parties to the Joint Venture Agreement.

**Capital contribution  
in the Joint Venture:**

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture will be RMB3,000,000,000. The Company will contribute RMB1,530,000,000 and Huashi Zhiyuan will contribute RMB1,470,000,000 towards the registered capital of the Joint Venture. Apart from the aforesaid capital contribution, there is no requirement in the Joint Venture Agreement for the Company and Huashi Zhiyuan to make any other capital commitment (whether equity, loan or otherwise) or provide any guarantee or indemnity in respect of the formation of the Joint Venture.

The contribution of the registered capital to be made by the parties to the Joint Venture Agreement and their respective equity interest in the Joint Venture are set out as follows:

	<b>Registered Capital Contribution</b> <i>(RMB billion)</i>	<b>Equity Interest in the Joint Venture</b> <i>(%)</i>
the Company	1.53	51
Huashi Zhiyuan	1.47	49
	<u>3</u>	<u>100</u>

Each of the parties to the Joint Venture Agreement is required to make their respective capital contribution in cash in full no later than 31 December 2026 pursuant to the Joint Venture Agreement. Based on the discussion between the Company and Huashi Zhiyuan, it is intended that each of the Company and Huashi Zhiyuan will make their respective capital contribution in cash in full by the end of 2024.

If any of the parties to the Joint Venture Agreement fails to make the capital contribution in full by the due date under the Joint Venture Agreement, it shall pay to the Joint Venture late payment charges at the rate of 0.05% per day of the amount of the capital contribution due in addition to their respective agreed amount of capital contribution.

The capital contribution to be made by the Company and Huashi Zhiyuan was determined after arm's length negotiations between the parties, with reference to the equity interest of each party in the Joint Venture and the expected capital requirement of the Joint Venture for the investment, construction and operation of the businesses in the fields of new energy, information technology, modern agriculture, etc. in the PRC.

The Group intends to finance its capital contribution in the Joint Venture from its self-owned funds and internal resources.

**Corporate governance:**

The Joint Venture will establish a board of directors comprising five directors (including one chairman), among which the Company will be entitled to nominate three directors and Huashi Zhiyuan will be entitled to nominate two directors. The chairman of the board of directors of the Joint Venture will be nominated by the Company. The term of office of the directors of the Joint Venture is three years and will be re-elected upon expiration of the term. The board of directors of the Joint Venture will report to its shareholders at the shareholders' meeting of the Joint Venture. The chairman of the board of directors of the Joint Venture will also act as the legal representative of the Joint Venture.

The Company will be entitled to nominate the general manager of the Joint Venture, whereas Huashi Zhiyuan will be entitled to nominate the deputy general manager of the Joint Venture. The general manager of the Joint Venture will be responsible for, among other matters, presiding over the management of the Joint Venture and implementing the resolutions of the board of directors of the Joint Venture, as well as formulating the business plan and development strategy of the Joint Venture. Huashi Zhiyuan will be entitled to nominate the person-in-charge of finance, who will be responsible for reviewing the financial plans and capital expenditure of the Joint Venture. Upon nomination, the general manager, deputy general manager and the person-in-charge of finance of the Joint Venture will then be appointed by the board of directors of the Joint Venture.

The Joint Venture will have one supervisor who will be nominated by Huashi Zhiyuan. The supervisor will be responsible for, among other matters, inspecting the finance and supervising the conduct of the directors and senior management of the Joint Venture in the performance of their duties.

In addition to the aforesaid management personnel, the Company will be entitled to nominate other management personnel to participate in the operation of the Joint Venture when it considers necessary in the light of the actual situation of the operation and development of the Joint Venture, without the consent of Huashi Zhiyuan.

The quorum for the directors' meeting of the Joint Venture shall be a majority of the directors of the Joint Venture from time to time. Unless otherwise agreed in the Joint Venture Agreement or provided for in the articles of association of the Joint Venture, the resolutions of the board of directors of the Joint Venture shall be passed by a majority of the directors of the Joint Venture, and the resolutions of the shareholders' meeting of the Joint Venture shall be passed by the shareholders of the Joint Venture representing a majority of the voting rights.

**Matters requiring approval of two-thirds of directors of the Joint Venture:**

During the term of the Joint Venture Agreement, the following are the matters requiring approval of two-thirds of the directors of the Joint Venture:

- (a) the formulation of the proposal for the increase or reduction of the registered capital of the Joint Venture and for the issuance of corporate bond; and
- (b) the formulation of the proposal for the merger, separate establishment, dissolution or change of corporate form of the Joint Venture.

**Matters requiring approval of two-thirds of the voting rights of the shareholders of the Joint Venture:**

During the term of the Joint Venture Agreement, the following are the matters requiring approval of two-thirds of the voting rights of the shareholders of the Joint Venture:

- (a) the appointment and change of the directors and supervisors of the Joint Venture and matters related to the determination of their remuneration;
- (b) the resolution in relation to the issuance of the corporate bond;
- (c) the resolution in relation to the increase or reduction of the registered capital of the Joint Venture;
- (d) the resolution in relation to the merger, separate establishment, dissolution, liquidation or change of corporate form of the Joint Venture, reorganisation, bankruptcy or any particular transaction which can be characterised as a trade sale or liquidation event; and
- (e) the alteration of the articles of association of the Joint Venture.



**Equity transfer:**

If a shareholder of the Joint Venture transfers equity interest of the Joint Venture to a person other than the shareholders of the Joint Venture, the transferring shareholder shall inform the other shareholders in writing of the quantity, price, payment method and schedule of the potential equity transfer, and the other shareholders of the Joint Venture shall have the pre-emptive right under the same conditions. The non-transferring shareholders who do not respond within 30 days from receiving the written notice will be deemed to have waived their pre-emptive rights.

**Profit distribution:**

For the distribution of the after-tax profits of a year, the Joint Venture shall set aside 10% of the profits as its statutory surplus reserve. The Joint Venture may not be required to set aside further amount for its statutory surplus reserve if the cumulative statutory surplus reserve accounts for 50% or more of the Joint Venture's registered capital. Where the statutory surplus reserve of the Joint Venture is not adequate to cover losses of previous years, the profit of a year shall be first used to cover losses before the set-aside of the aforesaid statutory surplus reserve.

The Joint Venture shall distribute all of the remaining after-tax profits of the Joint Venture for the preceding year (after coverage of the losses for the previous years and set-aside for the aforesaid statutory surplus reserve and other reserve for the working capital required for the operation of the Joint Venture within the next 12 months) to the shareholders of the Joint Venture in proportion to the contributed registered capital by 31 December of the following year.

**Conditions precedent:**

The Joint Venture Agreement will come into effect upon satisfaction of the following conditions:

- (i) the Company having obtained the approval of the Board in relation to the Joint Venture Agreement and the transactions contemplated thereunder in accordance with the Listing Rules, the articles of association of the Company and applicable laws; and
- (ii) the resolution of the independent Shareholders at the EGM having been passed to approve the Joint Venture Agreement and the transactions contemplated thereunder in accordance with the Listing Rules, the articles of association of the Company and applicable laws.

As at the date of this announcement, the Company has obtained the approval of the Board in relation to the Joint Venture Agreement and the transactions contemplated thereunder.

**Completion:**

Upon establishment of the Joint Venture, the Company and Huashi Zhiyuan will hold 51% and 49% equity interest in the Joint Venture, respectively. The Joint Venture will be treated as a subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

As at the date of this announcement, the Company and Huashi Zhiyuan have not identified any specific acquisition targets in the fields of new energy, information technology and modern agriculture, etc. in the PRC. Should any such acquisition materialise after the formation of the Joint Venture, the Company will comply with the relevant disclosure and/or approval requirements in accordance with the Listing Rules as and when appropriate.

**Reasons and benefits for the formation of the Joint Venture:**

Under the strategic direction of “Realize New Retail, Strengthen 1 + N, Layout New Track”, the Group not only continues to develop its original business in the sales of mobile telecommunications devices and accessories but also strives to capitalize on opportunities to explore the in-depth development of the business of sales of mobile telecommunications devices and expand the offerings and presence of the new energy businesses.

In recent years, with the PRC government’s heightened focus on artificial intelligence and the data industry, along with its policy to bolster new infrastructure construction and promote the integration of artificial intelligence across various industries, the Group has been actively exploring the vertical expansion of its mobile telecommunications business. Since 2022, the Group has been expanding its collaborations with downstream enterprises in information technology sector, such as communications carriers, to aid in establishing their computing power centres and facilities. This endeavour has allowed the Group to gather valuable experience for advancing the information technology segment of the Joint Venture’s principal business.

Meanwhile, given the robust support of the PRC government in promoting renewable energy development, it is anticipated that the new energy and photovoltaic industry in the PRC will continue in a favourable growth trajectory in the foreseeable future. To leverage on the national policy requirements and propel the development of the Group's new energy business, the Company established the new energy business centre in the fourth quarter of 2022 and expanded its household photovoltaic business in several provinces in the PRC, including Shanxi, Jiangsu, Hubei, and others. Through ongoing collaboration with leading photovoltaic manufacturers and enterprises, the Group has amassed valuable expertise and resources both upstream and downstream, laying a solid foundation for further expanding the business scale and chain of the new energy business.

The Directors are of the view that the formation of the Joint Venture with Huashi Zhiyuan will achieve a strong alliance and generate synergistic effects through enhanced resource integration and expertise sharing between the parties. This will in turn empower the Group to seize opportunities, better align with national policy requirements and deepen the integration between the real and digital economies, thereby optimizing the development of the Group's core business and the expansion of the new business track. This collaboration is poised to bring mutual economic benefits to both the Group and Huashi Zhiyuan. On one hand, Huafa Technology Industry Group, as the sole shareholder of Huashi Zhiyuan, has strategically positioned itself with a comprehensive industrial chain layout in the information technology and new energy sectors, which shall be able to provide robust resource support for enhancing the Joint Venture's business development and bolstering its competitiveness and influence in these industries. On the other hand, leveraging the Group's strong sales capabilities and established offline channel network related to mobile telecommunications devices, the Group can offer substantial support for the development of the information technology and new energy businesses of the Joint Venture, including but not limited to market development, system installation, operation and maintenance, and user services.

In light of the reasons set out above, the Directors (excluding those independent non-executive Directors, the views of whom will be contained in the letter from the Independent Board Committee in the circular to be published and/or despatched to the Shareholders) are of the view that the terms and conditions of the Joint Venture Agreement are on normal commercial terms and fair and reasonable, and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

## **SECOND SUPPLEMENTAL AGREEMENT TO THE 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT**

References are made to (i) the announcement of the Company dated 25 September 2023 in relation to, among others, the continuing connected transaction of the Deposit Services under the 2024–2026 Financial Services Framework Agreement; and (ii) the announcement of the Company dated 11 March 2024 and the circular of the Company dated 30 April 2024 in relation to, among others, the discloseable transaction and continuing connected transaction in relation to the revision of the annual caps for the Deposit Services under the 2024–2026 Financial Services Framework Agreement.

The Board has reviewed the existing continuing connected transaction of the Deposit Services (including the existing annual caps) contemplated under the 2024–2026 First Supplemental Financial Services Framework Agreement. In view of the ongoing expansion of the Group's business and operational scale, as well as the intention of the Company and Huashi Zhiyuan to have their contributed registered capital of the Joint Venture deposited into the Joint Venture's account maintained with Huafa Finance Company after its establishment for better capital management, the Board anticipates that the demand of the Group for the Deposit Services will exceed the previous projection to the effect that the existing annual caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement will not be sufficient to meet the increased demand of the Group. In addition, taking into account the continued business development of the Group, Huafa Finance Company and the Group intend to increase the existing annual caps in respect of the credit limit for the credit services to be provided by Huafa Finance Company to the Group under the 2024–2026 Financial Services Framework Agreement.

Accordingly, on 24 October 2024 (after trading hours), the Company and Huafa Finance Company entered into the Second Supplemental Agreement to increase the existing annual caps for the Deposit Services and the credit services for the years ending 31 December 2024, 2025 and 2026 to the Revised Annual Caps in order to cater for the Group's increased demand for such services, facilitate the Group in the overall capital management and capture its potential business growth.

The principal terms of the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) are as follows:

**Date:** 24 October 2024

**Parties:** (a) the Company; and  
(b) Huafa Finance Company

**Duration:** From 1 January 2024 to 31 December 2026

**Subject matter:** The following are the financial services to be provided by Huafa Finance Company to the Group:

- (i) the Deposit Services: provision of deposit services to the Group according to the requirements of the Group and formulation of optimal deposit portfolio for the Group, which include current deposit, time deposit, call deposit and agreement deposit, etc.

The Revised Deposit Caps for the Group’s daily maximum outstanding balance of the Deposit Services (including accrued interests) in Huafa Finance Company shall be RMB3.3 billion.

- (ii) the credit services: provision of credit services to the Group according to the operation and development needs of the Group, which include but not limited to working capital loans, bill acceptance and trade financing, etc.

The credit services shall be provided by Huafa Finance Company to the Group in accordance with normal commercial terms or better. No security over the assets, security over the rights or other guarantees of the Group shall be provided for the loans. None of the Group’s deposit to be placed with Huafa Finance Company shall be used as the pledge to the credit services provided by Huafa Finance Company.

The highest comprehensive credit limit of the Group that may be applied on a revolving basis shall be increased from RMB3 billion to RMB5 billion.

The financial services received by the Group from Huafa Finance Company pursuant to the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) are on a non-exclusive basis, and the Group is entitled to select other financial institutions to provide the financial services at its sole discretion.

**Pricing policy:**

In respect of the Deposit Services, 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 the PRC for the deposits of the same type and term but not lower than the benchmark interest rate in the same period promulgated by the PBOC for the deposits of the same type and term.

In respect of the credit services, 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 the PRC for the loan of the same type and term.

**Condition precedent:**

The Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps are conditional upon the approval by the independent Shareholders at the EGM.

In any event, prior to obtaining the approval from the independent Shareholders at the EGM, the Group shall continue to comply with the terms of the Deposit Services and its existing annual caps under the 2024–2026 First Supplemental Financial Services Framework Agreement.

**Revision of annual caps: Deposit Services**

Pursuant to the Second Supplemental Agreement, conditional upon the approval by the independent Shareholders at the EGM, the existing annual caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement for the years ending 31 December 2024, 2025 and 2026 will be revised to the Revised Deposit Caps as follows:

	For the year ending 31 December 2024 <i>(RMB millions)</i>	For the year ending 31 December 2025 <i>(RMB millions)</i>	For the year ending 31 December 2026 <i>(RMB millions)</i>
<b>Deposit Services – daily maximum outstanding balance of the deposits (including any accrued interests)</b>			
Existing annual caps	300	300	300
Revised Deposit Caps	3,300	3,300	3,300

## Credit services

As the credit services to be provided by Huafa Finance Company to the Group under the Second Supplemental Agreement to the 2024–2026 Financial Services Framework Agreement are entered into on normal commercial terms or better, fair and reasonable and no security over the assets of the Group will be provided in respect of the credit services, the credit services will be exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules. The Revised Credit Caps in respect of the highest comprehensive credit limit that may be applied on a revolving basis for three years ending 31 December 2024, 2025 and 2026 shall be increased from RMB3 billion to RMB5 billion. The actual credit limit that may be granted to the Group shall be subject to the approval process by Huafa Finance Company.

### Historical transaction amount:

The table below sets out the historical transaction amounts of the Deposit Services (i) for the period from 18 November 2022 to 31 December 2022, (ii) for the year ended 31 December 2023, (iii) for the period from 1 January 2024 to 21 May 2024 and (iv) for the period from 22 May 2024 to 23 October 2024, as well as the comparisons with the historical annual caps for the Deposit Services (i) under the 2022–2023 Financial Services Framework Agreement for the period from 18 November 2022 to 31 December 2022 and for the year ended 31 December 2023 and (ii) under the 2024–2026 Financial Services Framework Agreement for the period from 1 January 2024 to 21 May 2024, and the existing annual caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement for the period from 22 May 2024 to 31 December 2024, respectively.

	Historical/Existing Annual Caps				Historical Transaction Amounts			
	For the period from 18 November 2022 to 31 December 2022		For the period from 1 January 2024 to 21 May 2024		For the period from 18 November 2022 to 31 December 2022		For the period from 1 January 2024 to 21 May 2024	
	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2023
	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)
Daily maximum outstanding balance of the deposits (including any accrued interests)	120	120	120	300	101.95	119.93	119.92	299.40

#### Deposit Services

Daily maximum outstanding

balance of the deposits

(including any accrued interests)

The actual transaction amounts for the Deposit Services (i) under the 2022-2023 Financial Services Framework Agreement for the period from 18 November 2022 to 31 December 2022 and for the year ended 31 December 2023, (ii) under the 2024–2026 Financial Services Framework Agreement for the period from 1 January 2024 to 21 May 2024, and (iii) under the 2024–2026 First Supplemental Financial Services Framework Agreement for the period from 22 May 2024 to 23 October 2024 did not exceed their respective annual caps.

Prior to the obtaining of the approval of the independent Shareholders at the EGM in relation to the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps, the Company will conduct the Deposit Services in accordance with the existing terms of the 2024–2026 First Supplemental Financial Services Framework Agreement. The actual daily maximum outstanding balance of the deposits placed by the Group with Huafa Finance Company from 22 May 2024 and up to the date of the EGM is not expected to exceed the existing annual caps under the 2024–2026 First Supplemental Financial Services Framework Agreement for the period from 22 May 2024 to 31 December 2024.

**Basis for determining  
the Revised Deposit  
Caps:**

In arriving at the Revised Deposit Caps for the Deposit Services, the Directors have taken into account the following factors:

- (i) the historical daily maximum outstanding balance of the deposits (including any accrued interests) that were maintained by the Group with Huafa Finance Company and each of its principal banks;
- (ii) the relatively high utilisation rates of the daily maximum balance of the deposits placed by the Group with Huafa Finance Company (including any accrued interests) for the period from 18 November 2022 to 31 December 2022, for the year ended 31 December 2023, for the period from 1 January 2024 to 21 May 2024 and for the period from 22 May 2024 to 23 October 2024 reached approximately 84.96%, 99.94%, 99.93% and 99.80% of the respective annual cap, respectively;



- (iii) the operating cash flow, the financial and capital management requirements for the Group's working capital and operation needs and business expansion in the future. In particular, considering that the registered capital of the Joint Venture in the amount of RMB3,000,000,000 will be contributed by the Company and Huashi Zhiyuan pursuant to the Joint Venture Agreement, it is intended by the Company and Huashi Zhiyuan that the aforesaid amount will be deposited into the account of the Joint Venture maintained with Huafa Finance Company during the term of the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) for better overall capital management pending its deployment of capital. Coupled with the continuous growth of the Group's business and operational scale, it is expected that the Group will have to handle an even higher volume of cash inflow and outflow from its operations;
- (iv) by adopting the Revised Deposit Caps, the Group will gain increased flexibility to implement better capital management strategies in engaging Huafa Finance Company to provide the Deposit Services. The Deposit Services provided by Huafa Finance Company to the Group pursuant to the 2024-2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) will provide an alternative to the Group to manage its funds with more favourable terms as compared to those from other commercial banks in the PRC. For instance, the Deposit Services provided by Huafa Finance Company do not necessitate a pre-determined notice period for withdrawals. This means that the Group can freely withdraw funds from the account maintained with Huafa Finance Company whenever required, which will provide greater flexibility and convenience as compared to other commercial banks in the PRC that typically require a pre-determined notice period for withdrawals. This enhanced flexibility enables the Group to deploy its capital more efficiently, allowing for the maintenance of an optimal capital structure; and
- (v) based on the fact that Huafa Finance Company is supervised by NFRA and maintains satisfactory operating results and financial position, as well as 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.

**Reasons and benefits:**

Huafa Finance Company is a non-bank financial institution regulated by NFRA and is authorized to provide various financial services. The principal reasons for and the benefits of entering into the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) are as follows:

- (i) in view of the continuous business expansion of the Group, as well as the plan of having the contributed registered capital of the Joint Venture deposited into the account of the Joint Venture maintained with Huafa Finance Company after its establishment for better capital management pending its deployment of capital, the Directors are of the view that the Group will substantially increase its demand in the Deposit Services provided by Huafa Finance Company. The Directors anticipate that the demand of the Group for the Deposit Services will far exceed the previous projection to the effect that the existing annual caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement will not be sufficient to meet the increased demand of the Group. Accordingly, the Company entered into the Second Supplemental Agreement with Huafa Finance Company in order to cater for the Group’s increased demand for such services, facilitate the Group in the overall capital management and capture its potential business growth;
- (ii) the Group can use Huafa Finance Company as a medium to facilitate more efficient deployment of funds among the Company’s subsidiaries;
- (iii) the financial services promote capital liquidity within the Group, enhance the overall capital management and control of the Group, help monitor financial risks and allow for quick and accurate monitoring and regulation of the use of the Group’s funds;
- (iv) the Deposit Services form part of the Group’s treasury activities to further support its operational and treasury needs, which help improve the Group’s efficiency of its cash management and working capital position;
- (v) the interest rates of the Deposit Services offered by Huafa Finance Company to the Group will be equal to or more favourable, on a case by case basis, than those offered to the Group by independent third parties;

- (vi) the Group is expected to benefit from Huafa Finance Company's better understanding of the Group's operations, which should render more expedient and efficient financial services than other commercial banks and financial institutions in the PRC;
- (vii) the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) will not preclude the Group from using the financial services offered by other financial institutions, which the Group has discretion in choosing as it thinks fit and appropriate in the interests of the Company and its Shareholders as a whole. When required, the Group will solicit quotations from commercial banks and/or other financial institutions in respect of similar transactions for comparison and consideration; and
- (viii) Huafa Finance Company is regulated by NFRA and provides financial services in accordance with and in compliance with the rules and operational requirements of NFRA. In addition, capital risk can be prevented through the implementation of the risk control measures as stipulated in the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement).

Save for the above revisions of the existing annual caps for the Deposit Services and the credit services and the basis for determining the Revised Deposit Caps, the other principal terms of the 2024–2026 First Supplemental Financial Services Framework Agreement, including but not limited to the service scope of the financial services, the pricing policy for the credit services to be provided by Huafa Finance Company to the Group under the 2024–2026 Financial Services Framework Agreement, as well as the relevant internal control procedures and the corporate governance measures in respect of the Deposit Services and the credit services, remain unchanged.

**INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES FOR THE 2024–2026 FIRST SUPPLEMENTAL FINANCIAL SERVICES FRAMEWORK AGREEMENT (AS AMENDED AND SUPPLEMENTED BY THE SECOND SUPPLEMENTAL AGREEMENT)**

In respect of the Deposit Services, the Company has adopted the following internal control and monitoring procedures:

- (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 PBOC for the deposits of the 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 the average deposit interest rate offered by at least three other independent domestic commercial banks in the PRC for deposit services of the same term and same type on normal commercial terms. The personnel responsible for cashier in the fund management department of the Company will be responsible for conducting market research, consulting with independent commercial banks and compiling statistics on interest rates for different types of deposits, and the fund operation unit of the fund management department of the Company will then be responsible for reviewing and determining the interest rate, which will be considered and approved by the head of the fund management department of the Company. 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 PBOC and the average deposit interest rate offered by three other independent domestic commercial banks in the PRC;
- (ii) the fund management department of the Company will monitor the Deposit Services on a daily basis to ensure the proposed annual caps will not be exceeded;
- (iii) the fund management department of the Company will report to the senior management of the Company to give an update on the deposit arrangements entered into with Huafa Finance Company on a monthly basis;
- (iv) Huafa Finance Company has agreed to provide data to assist the Company in monitoring the daily deposit balance cap when necessary;
- (v) in terms of the credit assessment on Huafa Finance Company, the Group would regularly request Huafa Finance Company to provide their financial statements and compliance risk management reports filed by Huafa Finance Company to the NFRA, as well as conduct on-site inspections and interviews with the senior management of Huafa Finance Company, in order to ensure that Huafa Finance Company is financially reliable and safe to provide the Deposit Services to the Group and the capital risk control measures can be effectively carried out by Huafa Finance Company;

- (vi) the Directors (including the independent non-executive Directors) will review the transactions contemplated under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) and their proposed annual caps each year to ensure that the transactions contemplated under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) are conducted within the terms of the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement), on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (vii) the independent non-executive Directors and the auditor of the Company will perform annual reviews on the pricing and annual caps of such transactions contemplated under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement).

In respect of the credit facilities, the Company has adopted the following internal control procedures, including but not limited to locating at least four independent commercial banks in the PRC to enquire about the cost of financing prior to the utilisation of the credit services, conducting a comprehensive comparison of the favourable terms, interest rates and financing procedures offered by the independent commercial banks in the PRC during the negotiation process, in order to ascertain the optimal financing option and to ensure that the credit facilities provided by Huafa Finance Company to the Group are on normal commercial terms or better, fair and reasonable and no security over the assets of the Group will be granted in respect of the credit services.

**CAPITAL RISK CONTROL MEASURES FOR THE 2024–2026 FIRST SUPPLEMENTAL FINANCIAL SERVICES FRAMEWORK AGREEMENT (AS AMENDED AND SUPPLEMENTED BY THE SECOND SUPPLEMENTAL AGREEMENT)**

- (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 promulgated by the NFRA 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 NFRA;
- (iii) Zhuhai Huafa has undertaken to the NFRA 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 in the PRC as deposits.

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 (i) the Deposit Services and the credit services will be conducted on normal commercial terms or better, fair and reasonable and no less favourable to the Group than those available from the independent third parties, and (ii) in respect of the credit services, no security over the assets of the Group will be granted in respect of the credit services.

Taking into account the relevant pricing policies, the basis for determining the Revised Deposit Caps, the reasons for and benefits of entering into the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement), the Company’s internal control procedures and corporate governance measures as disclosed in this announcement, the Directors (excluding those independent non-executive Directors, the views of whom will be contained in the letter from the Independent Board Committee in the circular to be published and/or despatched to the Shareholders) are of the view that the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) and the transactions contemplated thereunder (including the Revised Deposit Caps) 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.

## **2025–2027 PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT**

References are made to the announcement of the Company dated 11 March 2024 and the circular of the Company dated 30 April 2024 in relation to, among others, the continuing connected transaction under the Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement entered into between the Company and Beijing Shangfang.

As the Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement will expire on 31 December 2024 and the Group expects to continue to carry on the transactions contemplated thereunder upon its expiry, on 24 October 2024 (after trading hours), the Company entered into the 2025–2027 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 Group for a term of three years from 1 January 2025 and ending on 31 December 2027.

The principal terms of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement are set out as follows:

- Date:** 24 October 2024
- Parties:** (a) the Company (as supplier); and  
(b) Beijing Shangfang (as purchaser)
- Term:** From 1 January 2025 to 31 December 2027

**Subject matter:** Pursuant to the 2025–2027 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 Group.

**Individual sale of Photovoltaic Equipment agreements:** As the 2025–2027 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 the relevant members of Beijing Shangfang Group 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 conflict between the terms of the specific sales contracts (or the orders thereunder) and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the terms of the 2025–2027 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 Group 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 Group, the Group does not have the obligation to sell the products to Beijing Shangfang Group.

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 180 days from the date of completion of delivery of goods by the Group to Beijing Shangfang Group under the specific sales contracts (or the orders thereunder) entered into according to the 2025–2027 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 Group will pay for the delivery or other arrangement already agreed pursuant to the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement.

**Pricing policy:**

The prices for the sale of the Photovoltaic Equipment under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement shall be determined with reference to the following factors:

- (i) factors such as the cost of purchasing the Photovoltaic Equipment from the upstream suppliers and the target gross profit margin which can be represented by the formula:  $\text{cost} \times (1 + \text{target gross profit margin})$ , and shall be no less favourable to the Group than the prices of the comparable transactions (if any) conducted by the Group with no less than three independent third parties during the same period.

The target gross profit margin ranging from 1% to 5% (subject to adjustment depending on market conditions) shall be determined based on arm's length negotiation between the Group and Beijing Shangfang Group and having regard to the factors including, among others, (i) the gross profit margin for the trading business of the Group which is primarily with reference to the sales of mobile telecommunications device and accessories by the Group to independent customers; and (ii) gross profit margin of the comparable transactions (if any) conducted by the Group with no less than three independent third parties during the same period.

- (ii) the prices for the sale of the Photovoltaic Equipment to Beijing Shangfang Group shall not be lower than the floor prices for the relevant type of the Photovoltaic Equipment which apply unified pricing set by the Company.



The floor prices for the relevant type of the Photovoltaic Equipment set by the Company shall be determined with reference to the prevailing market prices of the relevant Photovoltaic Equipment in the PRC market based on the market research and the quotation in the open market obtained from the authoritative third-party public source in the photovoltaic industry, and shall not be lower than the cost of purchasing the Photovoltaic Equipment from the upstream suppliers.

**Condition precedent:** The 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are conditional upon the approval by the independent Shareholders at the EGM.

**Historical transaction amount:** Set out below are the historical transaction amounts for the sale of the Photovoltaic Equipment by the Group to Beijing Shangfang (i) for the period from 6 February 2024 to 21 May 2024 and (ii) for the period from 22 May 2024 to 23 October 2024, as well as the comparisons with the historical caps for the sale of the Photovoltaic Equipment by the Group to Beijing Shangfang (i) for the period from 6 February 2024 to 21 May 2024 under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and (ii) for the period from 22 May 2024 to 31 December 2024 under the Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, respectively.

	<b>For the period from 6 February 2024 to 21 May 2024 (RMB millions)</b>	<b>For the period from 22 May 2024 to 31 December 2024 (RMB millions)</b>
Historical caps	70	3,000
	<b>For the period from 6 February 2024 to 21 May 2024 (RMB millions)</b>	<b>For the period from 22 May 2024 to 23 October 2024 (RMB millions)</b>
Historical transaction amounts	51.55	313.04

**Proposed annual caps:** The proposed annual caps in respect of the fees receivable from the sale of the Photovoltaic Equipment to be provided by the Group to Beijing Shangfang Group under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement for the years ending 31 December 2025, 2026 and 2027 are set out below:

	For the year ending 31 December		
	2025	2026	2027
	<i>(RMB millions)</i>	<i>(RMB millions)</i>	<i>(RMB millions)</i>
Total fees for the sale of the Photovoltaic Equipment	3,000	3,000	3,000

In considering the proposed annual caps under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the Directors have considered a number of factors including:

- (i) the historical transaction amounts for the sale of the Photovoltaic Equipment by the Group to Beijing Shangfang under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and the Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement for the period from 6 February 2024 to 23 October 2024;
- (ii) based on the discussions between the Company and Beijing Shangfang, Beijing Shangfang will continue to expand its photovoltaic business in relation to the construction of the distributed photovoltaic power plants in several provinces of the PRC for the years between 2025 and 2027, and it is expected that the demand of Beijing Shangfang Group for the relevant Photovoltaic Equipment from the Group will continue to increase during the term of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement;

- (iii) based on the discussions between the Company and its upstream suppliers, the expected production capacity and channel of the potential upstream suppliers of the Group in relation to the supply of the relevant Photovoltaic Equipment to the Group will be sufficient to cater for the increase in demand of Beijing Shangfang Group for the relevant Photovoltaic Equipment from the Group during the term of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement. In particular, the Company has established a cooperative relationship with various major photovoltaic manufacturers and suppliers by entering into the framework purchase agreements related to the purchase of the Photovoltaic Equipment with a term no less than one (1) year. As such, the Company has the capacity to secure a stable source of supply for the large volume of the Photovoltaic Equipment from the major photovoltaic manufacturers and suppliers, in order to fulfil the increased demand of Beijing Shangfang Group for the Photovoltaic Equipment from the Group as contemplated under the 2025-2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement; and
- (iv) the respective estimated average unit prices of the Photovoltaic Equipment, which have taken into account the historical transactions between the Group and Beijing Shangfang, the prevailing market prices and market trend of such products.

**Reasons and benefits:**

In line with the strategic direction of the Group in expanding the new energy business, the Company has been ramping up its efforts to develop and strengthen its presence in the new energy and photovoltaic businesses in order to capture the potential business opportunities since 2023.

With strong support from the PRC government in the new energy and photovoltaic sectors, the photovoltaic industry in the PRC is expected to maintain a favorable development trend in the foreseeable future. As a growing player in the photovoltaic power plant industry with a promising business outlook and development potential, and against the background of the growth of such industries, Beijing Shangfang will continue to expand the business and operation scale of the construction of photovoltaic power plants in various places in the PRC in the upcoming years, thereby resulting in a continuous increase in the procurement demand of Beijing Shangfang Group for the Photovoltaic Equipment from the Group during the term of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement.

On the other hand, the Group has established a solid business relationship with several photovoltaic manufacturers and suppliers by entering into the framework purchase agreements for the purpose of meeting the stable and consistent demand of the Group in the procurement of Photovoltaic Equipment. Given that the Company is a PRC state-owned company listed on the Stock Exchange and is controlled by Zhuhai Huafa, which is a large state-owned conglomerate in the PRC under the direct supervision of Zhuhai SASAC, the Company is in a position to leverage on its capability and competitiveness to source the Photovoltaic Equipment and related components from the suppliers with a relatively more competitive price and favourable term and resell such products to Beijing Shangfang Group for supporting the increased demand of Beijing Shangfang Group in the relevant Photovoltaic Equipment.

By leveraging on the industry chain layout of Zhuhai Huafa in the new energy industry, the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement will enable the Group to further expand its business offerings and bolster revenue stream and operational performance. The ongoing collaboration between the Group and Beijing Shangfang Group is expected to generate synergies and foster mutual economic benefits and interests for both parties, thereby accelerating the Group’s development strategy in the new energy and photovoltaic industry.

#### **INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES FOR THE 2025–2027 PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT**

The Company will adopt the below internal control procedures and corporate governance measures in relation to the transactions contemplated under the 2025–2027 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 Photovoltaic Equipment applying unified pricing set by the Company, which shall be determined with reference to the prevailing market price of the relevant Photovoltaic Equipment in the PRC market based on the aforesaid market research and the quotation in the open market obtained from the authoritative third-party public source in the photovoltaic industry, and shall not be lower than the cost of purchasing the Photovoltaic Equipment from the upstream suppliers;
- (iv) prior to entering into any specific sales contract (or the orders thereunder) with Beijing Shangfang Group, the business departments of the Group will review the terms and ascertain the cost of purchasing the Photovoltaic Equipment from the upstream suppliers based on the framework purchase agreements (and the orders thereunder) entered into between the Group and the upstream suppliers. The business departments of the Group will also collect and review the information in relation to (i) gross profit margin for the trading business of the Group which is primarily with reference to the sales of mobile telecommunications device and accessories by the Group to independent customers during the same period; and (ii) the comparable transactions (if any) conducted by the Group with no less than three independent third parties during the same period. Taking into account the above factors, as well as based on the market research of the prevailing market price of the relevant Photovoltaic Equipment in the PRC market and the communication with Beijing Shangfang Group in relation to its acceptable price range, the business departments of the Group will then consider and determine the gross profit margin for the sale of the relevant Photovoltaic Equipment offered to Beijing Shangfang Group, which shall be subsequently reviewed and approved by the management of the Company, in order to ensure that (i) the gross profit margin set for the sale of the Photovoltaic Equipment will be comparable to those set for the trading business of the Group involving independent customers; (ii) the selling price and payment terms offered to Beijing Shangfang Group in respect of the sale of the relevant Photovoltaic Equipment to Beijing Shangfang Group shall be no less favourable to the Group than those offered to the independent customers; and (iii) the selling price of Photovoltaic Equipment offered to Beijing Shangfang Group will not be lower than the floor price for each type of Photovoltaic Equipment set by the Company;
- (v) 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;
- (vi) 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 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement to ensure that they are in accordance with the requirements of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the proposed annual caps thereof are 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 annual caps 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 annual caps is followed and the proposed annual caps are not exceeded; and

- (vii) the independent non-executive Directors and the auditor of the Company will conduct annual review on the transactions contemplated under the 2025–2027 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 2025–2027 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.

Taking into account the relevant pricing policies, the basis for determining the proposed annual caps, the reasons for and benefits of entering into the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, the Company’s internal control procedures and corporate governance measures as disclosed in this announcement, the Directors (excluding those independent non-executive Directors, the views of whom will be contained in the letter from the Independent Board Committee in the circular to be published and/or despatched to the Shareholders) are of the view that the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) 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.

## **INFORMATION OF THE PARTIES**

### **The Group**

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 sales of mobile telecommunications devices and accessories and the provision of related services.

### **Huashi Zhiyuan**

Huashi Zhiyuan is a limited liability company established in the PRC. Huashi Zhiyuan is an investment holding company directly and wholly owned by Huafa Technology Industry Group. Huafa Technology Industry Group is mainly engaged in investment and asset management. Huafa Technology Industry Group has invested in various listed and unlisted companies with an industrial layout focused on the new energy, information technology, semiconductor, medical and healthcare, artificial intelligence and smart home businesses. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Huafa Technology Industry Group is directly owned as to approximately 88.46% by Zhuhai Huafa, approximately 3.30% by the local asset management company established in Shaanxi province in the PRC and approximately 1.65% by each of the four financial asset investment companies and one limited partnership fund established in the PRC.

## **Zhuhai Huafa**

Zhuhai Huafa is a state-owned conglomerate based in Zhuhai and is owned by Zhuhai SASAC 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.

## **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 non-bank financial institution regulated by the NFRA, 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, credit verification services, etc. The ultimate beneficial owner of Huafa Finance Company is Zhuhai Huafa.

## **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. 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\* (珠海鐳盈投資有限公司) (“**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).

## 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, each of Zhuhai Huafa, Huafa Technology Industry Group and Hong Kong Huafa is a controlling shareholder and a connected person of the Company. Huashi Zhiyuan, being a subsidiary of Huafa Technology Industry Group, is a connected person of the Company. Huafa Finance Company, being a subsidiary of Zhuhai Huafa, is also 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 transaction contemplated under the Joint Venture Agreement constitutes a connected transaction of the Company, and the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) and the transactions contemplated under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Joint Venture Agreement exceeds 100%, the transaction contemplated under the Joint Venture Agreement constitutes a major transaction (as it does not involve an acquisition or disposal of assets) and a non-exempt connected transaction of the Company, and are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

In respect of the Deposit Services to be provided by Huafa Finance Company to the Group, as the highest applicable percentage ratio in respect of the Revised Deposit Caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) is more than 5%, the Deposit Services constitute a non-exempt continuing connected transaction of the Company, and 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 Revised Deposit Caps for the Deposit Services under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) exceeds 100%, the Deposit Services constitute a major transaction of the Company (as the Deposit Services do not involve an acquisition or disposal of assets) and are subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In respect of the Revised Credit Caps for the credit services under the Second Supplemental Agreement to the 2024–2026 Financial Services Framework Agreement, as the credit services to be provided by Huafa Finance Company to the Group are entered into on normal commercial terms or better, fair and reasonable and no security over the assets of the Group will be provided in respect of the credit services, the credit services constitute financial assistance to be provided by a connected person for the benefit of the Group under the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.



As one or more of the applicable percentage ratios in respect of the proposed annual caps for the sale of the Photovoltaic Equipment under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement exceed 5%, the transactions contemplated under the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement constitute non-exempt continuing connected transactions of the Company, and are subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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 8 April 2024, and therefore the above Directors are deemed to be materially interested in the Joint Venture Agreement, the Second Supplemental Agreement and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, and they have abstained from voting at the Board meeting for approving the transactions contemplated under the Joint Venture Agreement, the Second Supplemental Agreement (including the Revised Deposit Caps) and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement (including the proposed annual caps). Save as disclosed above, none of the Directors has any material interest in the Joint Venture Agreement, the Second Supplemental Agreement and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement that would require them to abstain from voting at the Board meeting for approving the transactions contemplated under the Joint Venture Agreement, the Second Supplemental Agreement and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement.

## **THE EGM AND DESPATCH OF THE CIRCULAR**

The Company will convene the EGM to consider and, if thought fit, approve, among others, (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

In view of the material interest held by Zhuhai Huafa in the Joint Venture Agreement, the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) and the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement, Huafa Technology Industry Group (and any parties acting in concert with it) and Hong Kong Huafa, both being the subsidiaries of Zhuhai Huafa, jointly hold, control or direct approximately 74.99% of the total number of issued shares of the Company as at the date of this announcement, are therefore required to abstain from voting on the resolutions proposed at the EGM for approving (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save for the above, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the aforesaid resolutions to be proposed at the EGM and will be required to abstain from voting at the EGM.

Given that (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are subject to independent Shareholders’ approval, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lv Tingjie, Mr. Lv Pingbo and Mr. Cai Chun Fai, has been established to advise the independent Shareholders in respect of the above transactions. Innovax has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the aforesaid transactions.

A circular containing, among others, (i) details of the Joint Venture Agreement and the transactions contemplated thereunder; (ii) details of the Second Supplemental Agreement and the transactions contemplated thereunder (including the Revised Deposit Caps); (iii) details of the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps); (iv) a letter from the Independent Board Committee to the independent Shareholders; and (v) the recommendation of Innovax to the Independent Board Committee and the independent Shareholders, is expected to be published and/or despatched to the Shareholders on or before 25 November 2024 as additional time is required to prepare certain information for inclusion in the circular.

## **DEFINITIONS**

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

“2022–2023 Financial Services Framework Agreement”	the framework agreement dated 18 November 2022 and entered into between the Company and Huafa Finance Company in relation to the provision of the Deposit Services and the credit services for the term from 18 November 2022 to 31 December 2023
“2024–2026 Financial Services Framework Agreement”	the framework agreement dated 25 September 2023 and entered into between the Company and Huafa Finance Company in relation to the provision of the Deposit services and the credit services for the term from 1 January 2024 to 31 December 2026
“2024–2026 First Supplemental Financial Services Framework Agreement”	2024–2026 Financial Services Framework Agreement (as amended and supplemented by the First Supplemental Agreement)
“2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement”	the framework agreement dated 24 October 2024 and entered into between the Company and Beijing Shangfang in relation to the sale of the Photovoltaic Equipment for the term from 1 January 2025 to 31 December 2027

“30%-controlled company”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Beijing Shangfang”	Beijing Shangfang Intelligent Clean Energy Company Limited* (北京尚方智慧清潔能源有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Zhuhai Shangfang
“Beijing Shangfang Group”	Beijing Shangfang and its subsidiaries
“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
“Deposit Services”	the financial services provided by Huafa Finance Company to the Group under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement) whereby the Group maintains deposits with Huafa Finance Company
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of approving, among other things, (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder
“Existing Photovoltaic Equipment and Components Purchase and Sales Framework Agreement”	the framework agreement dated 11 March 2024 and entered into between the Company and Beijing Shangfang in relation to the sale of the Photovoltaic Equipment for the term from 22 May 2024 to 31 December 2024

“First Supplemental Agreement”	the first supplemental agreement to the 2024–2026 Financial Services Framework Agreement entered into between the Company and Huafa Finance Company on 11 March 2024 in relation to the revision of the annual caps of the Deposit Services under the 2024–2026 Financial Services Framework Agreement
“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 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
“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 a controlling shareholder of the Company
“Huashi Zhiyuan”	Zhuhai Huashi Zhiyuan Investment Co., Ltd.* (珠海華實智遠投資有限公司), a limited liability company established in the PRC and a direct wholly-owned subsidiary of Huafa Technology Industry Group
“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 (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)

“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 (i) the Joint Venture Agreement and the transactions contemplated thereunder; (ii) the Deposit Services under the Second Supplemental Agreement and the Revised Deposit Caps; and (iii) the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
“Joint Venture”	a limited liability company to be jointly established in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, the PRC by the Company and Huashi Zhiyuan pursuant to the Joint Venture Agreement
“Joint Venture Agreement”	the shareholders’ agreement dated 24 October 2024 entered into between the Company and Huashi Zhiyuan in relation to the establishment of the Joint Venture
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NFRA”	National Financial Regulatory Administration (國家金融監督管理總局)
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“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 Group pursuant to the 2025–2027 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement
“Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1”	the framework agreement dated 6 February 2024 and entered into between the Company and Beijing Shangfang in relation to the sale of the Photovoltaic Equipment for the term from 6 February 2024 to 21 May 2024
“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
“Revised Annual Caps”	collectively, the Revised Deposit Caps and the Revised Credit Caps

“Revised Credit Caps”	the revised annual caps in respect of the credit services contemplated under the Second Supplemental Agreement to the 2024–2026 Financial Services Framework Agreement
“Revised Deposit Caps”	the revised annual caps in respect of the Deposit Services contemplated under the 2024–2026 First Supplemental Financial Services Framework Agreement (as amended and supplemented by the Second Supplemental Agreement)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Agreement”	the second supplemental agreement to the 2024–2026 Financial Services Framework Agreement entered into between the Company and Huafa Finance Company on 24 October 2024 in relation to the increase in the existing annual caps for the Deposit Services and the credit services for the years ending 31 December 2024, 2025 and 2026 to the Revised Annual Caps
“Shareholders”	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 Zhuhai SASAC 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 SASAC”	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)
“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  
24 October 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