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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)**

**NON-PUBLIC ISSUANCE OF CORPORATE BONDS  
AND  
PUBLIC ISSUANCE OF CORPORATE BONDS**

**I. NON-PUBLIC ISSUANCE OF CORPORATE BONDS**

**BACKGROUND**

In order to broaden financing channels of Beijing Digital Telecom Co., Ltd. (the “**Company**”), adjust and optimize the financial structure of the Company, lower the cost of funds, and by taking into consideration of the prevailing bond market conditions and the Company’s funding need, the Company proposes non-public issuance of corporate bonds in the People’s Republic of China (the “**PRC**”). Pursuant to the requirements of laws and regulations of the PRC, the board of directors of the Company (the “**Board**”) considers that the Company is in conformity to the conditions and requirements for the non-public issuance of corporate bonds in the PRC, and has proposed at the meeting of the Board held on 30 January 2019 (the “**Board Meeting**”) to seek the approval of the shareholders of the Company (the “**Shareholders**”) at the general meeting of the Company (the “**General Meeting**”) on the non-public issuance of corporate bonds in the PRC with an aggregate principal amount of not more than RMB500 million (inclusive of RMB500 million) to the qualified investors in the PRC (the “**Non-public Issuance of Corporate Bonds**”).

## NON-PUBLIC ISSUANCE OF CORPORATE BONDS

The proposed arrangements for the Non-public Issuance of Corporate Bonds are set out as follows:

Issue size:	Not more than RMB500 million (inclusive of RMB500 million), with the specific issue size to be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the funding need of the Company and the market conditions at the time of issuance
Par value:	RMB100
Issue price:	Issue at par value
Target subscribers:	Qualified investors in compliance with the “Administrative Measures for the Issuance and Trading of Corporate Bonds” only, excluding any pre-emptive placing to the existing Shareholders
Maturity and type:	Not more than 5 years (inclusive of 5 years), which may be single maturity type or mixed maturity types, with the specific maturity structure and the issue size for each maturity type to be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the funding need of the Company and the market conditions at the time of issuance
Interest rate:	Fixed rate, with the final interest rate to be determined after negotiation between the Board and its authorized persons and the lead underwriter in accordance with the market conditions at the time of issuance under the authorization by the Shareholders at the General Meeting
Issue method:	By non-public issuance, which may be issued in one tranche or more tranches, with the final issue method to be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the funding need of the Company and the market conditions at the time of issuance
Use of proceeds:	All proceeds will be used to replenish the working capital of the Company, adjust the Company’s debt structure and other usages permitted by relevant laws, regulations and regulatory documents, the specific usages and the proportion of the amount shall be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the specific conditions of the Company

Underwriting method:	By standby commitment by the lead underwriter
Listing arrangements:	Application will be made to the Shanghai Stock Exchange for listing of and dealing in the corporate bonds upon the completion of the Non-public Issuance of Corporate Bonds
Guarantee arrangements:	Shall be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting (including but not limited to whether to provide guarantee, guarantor, guarantee method and consideration, etc.)
Redemption clause or repurchase clause:	Shall be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting (including whether to set up redemption clause or repurchase clause and the specific contents of relevant clauses)
Measures to secure repayment:	In the event of expected failure to repay the principal and interests of the corporate bonds as scheduled, or failure to repay the principal and interests as they become due, the Board and its authorized persons under the authorization by the Shareholders at the General Meeting will implement the following measures as a minimum: (1) no distribution of profit to the Shareholders; (2) suspension of the implementation of projects relating to capital expenditure, such as material external investments, mergers and acquisitions; (3) reduction or suspension of payment of salary and bonus of the directors and senior management of the Company according to the laws; and (4) no re-designation of the key responsible persons of the Company in relation to the corporate bonds
Term of validity of the resolution:	24 months from the date of approval by the Shareholders at the General Meeting

## **AUTHORIZATION GRANTED TO THE BOARD AND ITS AUTHORIZED PERSONS**

The Board has proposed at the Board Meeting to seek the approval of the Shareholders at the General Meeting for granting the authorization to the Board and its authorized persons to deal with, in their absolute discretion, relevant matters in relation to the Non-public Issuance of Corporate Bonds, including but not limited to the followings:

- 1) to formulate specific issuance plans of the Non-public Issuance of Corporate Bonds as permitted by the laws and regulations and based on the specific situation of the Company and the market, to revise and adjust the issue terms of the Non-public Issuance of Corporate Bonds and all matters related to the terms of the Non-public Issuance of Corporate Bonds, including but not limited to the specific issue size, the interest rate of the bonds or its determination method, timing of issue, whether to issue in tranches and the number of tranches, whether to involve redemption clause or repurchase clause, matters related to guarantee (including but not limited to whether to provide guarantee, guarantor, guarantee method and consideration, etc.), periods and method for repayment of principal and interest accrued thereon, specific use of the proceeds, listing location and measures to secure repayment;
- 2) to decide and appoint intermediaries for the Non-public Issuance of Corporate Bonds;
- 3) to handle the application matters for the Non-public Issuance of Corporate Bonds; and to handle the listing matters for the corporate bonds after completion of the Non-public Issuance of Corporate Bonds, specifically including but not limited to authorize, execute, implement, modify, complete all the necessary documents, contracts, agreements and deeds relating to the Non-public Issuance of Corporate Bonds and listing (including but not limited to various announcements relating to prospectus, underwriting agreement, bond management entrustment agreement, listing agreement, rules of procedures for bondholder meeting and other legal documents), and to disclose relevant information according to the laws and regulations and other regulatory regulations;
- 4) to select bond entrusted manager to execute the bond management entrustment agreement and to formulate the rules of procedure for bondholder meeting;
- 5) upon occurrence of changes in the laws and regulations of the PRC or policies related to the Non-public Issuance of Corporate Bonds by relevant regulatory authorities or changes in the market conditions, to make appropriate adjustments to the specific plans and other related matters of the Non-public Issuance of Corporate Bonds based on the comments from relevant regulatory authorities, or to determine, based on the actual conditions, whether to proceed with the Non-public Issuance of Corporate Bonds, except for matters relating to the relevant laws and regulations and the articles of association of the Company which shall be subject to the approval of the Shareholders at the General Meeting; and

- 6) to decide and handle all other matters related to the Non-public Issuance of Corporate Bonds.

The above authorization will remain effective from the date of approval by the Shareholders at the General Meeting until the date of completion of all matters in connection with the Non-public Issuance of Corporate Bonds under such authorization.

In addition, the Board has also proposed at the Board Meeting to seek the approval of the Shareholders at the General Meeting to authorize the Chairman to be an authorized person for the Non-public Issuance of Corporate Bonds, with effect from the date of the approval of the Shareholders at the General Meeting in respect of the non-public issuance of corporate bonds plan, and enable the authorized person of the Board to exercise the above authorization.

## **II. PUBLIC ISSUANCE OF CORPORATE BONDS**

### **BACKGROUND**

In order to broaden financing channels of Beijing Digital Telecom Co., Ltd. (the “**Company**”), adjust and optimize the financial structure of the Company, lower the cost of funds, and by taking into consideration of the prevailing bond market conditions and the Company’s funding need, the Company proposes public issuance of corporate bonds in the PRC. Pursuant to the requirements of laws and regulations of the PRC, the Board considers that the Company is in conformity to the conditions and requirements for the public issuance of corporate bonds in the PRC, and has proposed at the Board Meeting to seek the approval of the Shareholders at the General Meeting on the public issuance of corporate bonds in the PRC with an aggregate principal amount of not more than RMB500 million (inclusive of RMB500 million) to the qualified investors in the PRC (the “**Public Issuance of Corporate Bonds**”).

## **PUBLIC ISSUANCE OF CORPORATE BONDS**

The proposed arrangements for the Public Issuance of Corporate Bonds are set out as follows:

Issue size:	Not more than RMB500 million (inclusive of RMB500 million), with the specific issue size to be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the funding need of the Company and the market conditions at the time of issuance
Par value:	RMB100
Issue price:	Issue at par value
Target subscribers:	Qualified investors in compliance with the “Administrative Measures for the Issuance and Trading of Corporate Bonds” only, excluding any pre-emptive placing to the existing Shareholders
Maturity and type:	Not more than 5 years (inclusive of 5 years), which may be single maturity type or mixed maturity types, with the specific maturity structure and the issue size for each maturity type to be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the funding need of the Company and the market conditions at the time of issuance
Interest rate:	Fixed rate, with the final interest rate to be determined after negotiation between the Board and its authorized persons and the lead underwriter in accordance with the market conditions at the time of issuance under the authorization by the Shareholders at the General Meeting
Issue method:	By public issuance to qualified investors, which may be issued in one tranche or more tranches after receiving the approval from the China Securities Regulatory Commission, with the final issue method to be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the funding need of the Company and the market conditions at the time of issuance

Use of proceeds:	All proceeds, after deducting the issue expenses, will be used to replenish the working capital of the Company, adjust the Company's debt structure and other usages permitted by relevant laws, regulations and regulatory documents, the specific usages and the proportion of the amount shall be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting in accordance with the specific conditions of the Company
Underwriting method:	By standby commitment by the lead underwriter
Listing arrangements:	Application will be made to the Shanghai Stock Exchange for listing of and dealing in the corporate bonds upon the completion of the Public Issuance of Corporate Bonds
Guarantee arrangements:	Shall be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting (including but not limited to whether to provide guarantee, guarantor, guarantee method and consideration, etc.)
Redemption clause or repurchase clause:	Shall be determined by the Board and its authorized persons under the authorization by the Shareholders at the General Meeting (including whether to set up redemption clause or repurchase clause and the specific contents of relevant clauses)
Measures to secure repayment:	In the event of expected failure to repay the principal and interests of the corporate bonds as scheduled, or failure to repay the principal and interests as they become due, the Board and its authorized persons under the authorization by the Shareholders at the General Meeting will implement the following measures as a minimum: (1) no distribution of profit to the Shareholders; (2) suspension of the implementation of projects relating to capital expenditure, such as material external investments, mergers and acquisitions; (3) reduction or suspension of payment of salary and bonus of the directors and senior management of the Company according to the laws; and (4) no re-designation of the key responsible persons of the Company in relation to the corporate bonds
Term of validity of the resolution:	24 months from the date of approval by the Shareholders at the General Meeting



## **AUTHORIZATION GRANTED TO THE BOARD AND ITS AUTHORIZED PERSONS**

The Board has proposed at the Board Meeting to seek the approval of the Shareholders at the General Meeting for granting the authorization to the Board and its authorized persons to deal with, in their absolute discretion, relevant matters in relation to the Public Issuance of Corporate Bonds, including but not limited to the followings:

- 1) to formulate specific issuance plans of the Public Issuance of Corporate Bonds as permitted by the laws and regulations and based on the specific situation of the Company and the market, to revise and adjust the issue terms of the Public Issuance of Corporate Bonds and all matters related to the terms of the Public Issuance of Corporate Bonds, including but not limited to the specific issue size, the interest rate of the bonds or its determination method, timing of issue, whether to issue in tranches and the number of tranches, whether to involve redemption clause or repurchase clause, matters related to guarantee (including but not limited to whether to provide guarantee, guarantor, guarantee method and consideration, etc.), periods and method for repayment of principal and interest accrued thereon, specific use of the proceeds, listing location and measures to secure repayment;
- 2) to decide and appoint intermediaries for the Public Issuance of Corporate Bonds;
- 3) to handle the application matters for the Public Issuance of Corporate Bonds; and to handle the listing matters for the corporate bonds after completion of the Public Issuance of Corporate Bonds, specifically including but not limited to authorize, execute, implement, modify, complete all the necessary documents, contracts, agreements and deeds relating to the Public Issuance of Corporate Bonds and listing (including but not limited to various announcements relating to prospectus, underwriting agreement, bond management entrustment agreement, listing agreement, rules of procedures for bondholder meeting and other legal documents), and to disclose relevant information according to the laws and regulations and other regulatory regulations;
- 4) to select bond entrusted manager to execute the bond management entrustment agreement and to formulate the rules of procedure for bondholder meeting;
- 5) upon occurrence of changes in the laws and regulations of the PRC or policies related to the Public Issuance of Corporate Bonds by relevant regulatory authorities or changes in the market conditions, to make appropriate adjustments to the specific plans and other related matters of the Public Issuance of Corporate Bonds based on the comments from relevant regulatory authorities, or to determine, based on the actual conditions, whether to proceed with the Public Issuance of Corporate Bonds, except for matters relating to the relevant laws and regulations and the articles of association of the Company which shall be subject to the approval of the Shareholders at the General Meeting; and
- 6) to decide and handle all other matters related to the Public Issuance of Corporate Bonds.



The above authorization will remain effective from the date of approval by the Shareholders at the General Meeting until the date of completion of all matters in connection with the Public Issuance of Corporate Bonds under such authorization.

In addition, the Board has also proposed at the Board Meeting to seek the approval of the Shareholders at the General Meeting to authorize the Chairman to be an authorized person for the Public Issuance of Corporate Bonds, with effect from the date of the approval of the Shareholders at the General Meeting in respect of the public issuance of corporate bonds plan, and enable the authorized person of the Board to exercise the above authorization.

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

Beijing, the PRC  
30 January 2019

*As at the date of this announcement, the executive directors of the Company are Mr. LIU Donghai, Mr. LIU Yajun, Mr. LIU Songshan and Ms. LIU Wencui; the non-executive directors of the Company are Mr. QI Xiangdong and Ms. XIN Xin; and the independent non-executive directors of the Company are Mr. LV Tingjie, Mr. BIAN Yongzhuang and Mr. ZHANG Senquan.*