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北京迪信通商貿股份有限公司
Beijing Digital Telecom Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6188)

**DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE**

THE JV AGREEMENT

The Board is pleased to announce that, on 26 July 2019 (after trading hours), the Company entered into the JV Agreement with Suqian Jiashi, pursuant to which, the Company and Suqian Jiashi have agreed to establish the JV Company by joint capital contribution.

Pursuant to the JV Agreement, the registered capital of the JV Company is proposed to be RMB400 million, of which RMB196 million is to be contributed by the Company, representing 49% of the registered capital; and RMB204 million is to be contributed by Suqian Jiashi, representing 51% of the registered capital. The JV Company is proposed to be incorporated in Beijing, the PRC.

LISTING RULES IMPLICATIONS

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

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THE JV AGREEMENT

The principal terms of the JV Agreement are set out below:

Date

26 July 2019

Parties

- (1) The Company
- (2) Suqian Jiashi

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, Suqian Jiashi and its ultimate beneficial owner(s) are third parties independent from the Company and its connected persons.

Proposed formation of the JV Company

The JV Company is proposed to be a company incorporated in Beijing, the PRC with limited liability. The term of operation of the JV Company shall be long term from the date on which its business license is issued.

Each of the shareholders of the JV Company shall be held responsible to the JV Company to the extent of their respective subscribed capital contribution, and shall share the profit, risk or loss in proportion to their respective paid-in capital contribution.

Purpose

The JV Company aims at building up the strength of both parties in the business fields including capital finance, warehousing and cloud services, thereby improving the efficiency and reducing operating costs.

Scope of business

The scope of business of the JV Company mainly includes the sales of the computer, communications and consumer electronics products, and operator related business.

Registered capital and shareholding structure

Pursuant to the JV Agreement, the registered capital of the JV Company is proposed to be RMB400 million, of which RMB196 million is to be contributed by the Company, representing 49% of the registered capital; and RMB204 million is to be contributed by Suqian Jiashi, representing 51% of the registered capital. The amount of the capital contribution has been determined after arm's length negotiation between the parties of the JV Agreement, with reference to the business prospects and the development potential of the JV Company, as well as the capital requirement of its business development.

The capital contribution will be made by the parties in cash. Of which, the capital contribution by the Company under the JV Agreement shall be made out of the self-raised funds and part of the self-owned funds. The JV Company has not been established as at the date of this announcement.

The JV Company will not become a subsidiary of the Company upon its establishment, and therefore its financial results will not be consolidated into the financial statements of the Company.

Organizational structure

The board of directors of the JV Company consists of five members, of which two directors will be appointed by the Company, and three directors will be appointed by Suqian Jiashi. The board of directors of the JV Company shall consist of one chairman, who shall be nominated by Suqian Jiashi and elected by the board of directors. The JV Company proposes to have one supervisor who shall be appointed by the Company.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

The formation of the JV Company will facilitate both parties cooperate with each other in finance, products, technology, logistics and other fields, improve the internal cash flow condition of the Company, reduce the inventories turnover days, and guarantee the timely supply of products.

The Directors (including independent non-executive Directors) are of the view that the terms of the JV Agreement are on normal commercial terms, fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is a joint stock limited company incorporated in the PRC on 31 May 2001. The principal business activity of the Company is the sale of telecommunications devices at home and abroad.

Suqian Jiashi is a company incorporated in the PRC with limited liability on 13 October 2017, The principal business activity of Suqian Jiashi is the development and services of network technologies.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Beijing Digital Telecom Co., Ltd. (北京迪信通商貿股份有限公司), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the HKSE
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“HKSE”	The Stock Exchange of Hong Kong Limited
“JV Agreement”	the joint venture agreement entered into between the Company and Suqian Jiashi on 26 July 2019 (after trading hours) for the formation of the JV Company
“JV Company”	the company proposed to be incorporated in Beijing, the PRC with limited liability under the JV Agreement, the name of which is subject to the approval for the registration with the administration of industry and commerce
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Suqian Jiashi” Suqian Jiashi Information Technology Co., Ltd. (宿遷嘉時
信息技術有限公司)

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“%” per cent

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

Beijing, the PRC
26 July 2019

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