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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)**

**CONTINUING CONNECTED TRANSACTIONS**

**(1) STORE SHARING SERVICES FRAMEWORK AGREEMENT**

**(2) PUBLIC WORKS ENGINEERING PURCHASE AND  
SALE SERVICES FRAMEWORK AGREEMENT**

**(3) ADMINISTRATIVE PRODUCTS**

**PURCHASE AND SALE FRAMEWORK AGREEMENT**

**(4) R&D AND CONSULTANCY SERVICES FRAMEWORK AGREEMENT  
AND**

**(5) CUSTOMERS REFERRAL SERVICES  
FRAMEWORK AGREEMENT**

**FRAMEWORK AGREEMENTS**

The Board announces that on 16 September 2022 (after trading hours), the Company has entered into the following Framework Agreements with Zhuhai Huafa:

- (1) the Store Sharing Services Framework Agreement;
- (2) the Public Works Engineering Purchase and Sale Services Framework Agreement;
- (3) the Administrative Products Purchase and Sale Framework Agreement;
- (4) the R&D and Consultancy Services Framework Agreement; and
- (5) the Customers Referral Services Framework Agreement.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhuhai Huafa Industrial (and any parties acting in concert with it) and Hong Kong Huafa jointly hold, control or direct approximately 90.76% of the issued shares of the Company and both Zhuhai Huafa Industrial and Hong Kong Huafa are direct wholly-owned subsidiaries of Zhuhai Huafa. Thus, Zhuhai Huafa is the controlling shareholder and the connected person of the Company. As such, the Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Annual Caps under the respective Framework Agreement is over 0.1% but less than 5%, the transactions contemplated under the Framework Agreements are subject to the reporting and announcement requirements but exempt from circular and the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

The Board announces that on 16 September 2022 (after trading hours), the Company has entered into the Framework Agreements. The principal terms of each of the Framework Agreements are as follows:

### A. STORE SHARING SERVICES FRAMEWORK AGREEMENT

- Date:** 16 September 2022
- Parties:** (a) the Company; and  
(b) Zhuhai Huafa
- Duration:** From 16 September 2022 to 31 December 2022
- Subject matter:** Pursuant to the Store Sharing Services Framework Agreement, the Group agrees to apply the existing resources at the Stores for Zhuhai Huafa Group to organise sales and promotion activities in accordance with Zhuhai Huafa Group's requirements at the Stores, including (i) granting to the members of Zhuhai Huafa Group non-exclusive right to use certain space of the Stores for Zhuhai Huafa Group to showcase its products and services to the public and visitors at the Stores; and (ii) providing to the members of Zhuhai Huafa Group staff support, customer services support and office system and other ancillary support services at the Stores (collectively, the "**Store Sharing Services**").

In consideration of the Store Sharing Services provided by the Group, the relevant members of Zhuhai Huafa Group agree to pay to the Group service fees for the Store Sharing Services.

**Individual Store Sharing Services agreements:**

As the Store Sharing Services Framework Agreement only sets out the framework of the Store Sharing Services to be provided generally, in respect of the specific services to be provided by the Group, the relevant members of the Group shall enter into individual Store Sharing Services agreements to set out the scope of the Store Sharing Services, service fee charging standard and payment schedule and payment methods, etc. with relevant members of Zhuhai Huafa Group in accordance with the specific service required of each Store and after the fulfilment of the internal procurement and service processes of both parties.

The service scope shall be within that of the Store Sharing Services and the service fees per year shall not be higher than the annual cap under the Store Sharing Services Framework Agreement. The terms and service fees of the individual Store Sharing Services agreements shall be negotiated and agreed through arm's length negotiations between the relevant members of the Group and the relevant members of Zhuhai Huafa Group. In the event of conflicts between the terms of the individual Store Sharing Services agreements and the Store Sharing Services Framework Agreement, the terms of Store Sharing Services Framework Agreement shall prevail.

**Payment terms:**

The service fees shall be charged within 15 Business Days after the completion of individual service and settled within 15 Business Days upon receipt of the relevant invoice(s). The parties may subsequently adopt any other payment terms by mutual agreement, but in any event, such other payment terms shall be no less favourable to the Company than those offered by the Company to any independent third parties.

**Termination:**

Either party may terminate the Store Sharing Services Framework Agreement prior to the expiration of the service period if either of the following occurs: (i) by written consent of the Company and Zhuhai Huafa; (ii) the defaulting party has committed any material breach of the representations, warranties and other terms of the Store Sharing Services Framework Agreement, and such breach cannot be remedied in the reasonable opinion of the non-breaching party; (iii) the Store Sharing Services Framework Agreement is terminated in accordance with the provisions of law or regulation or in accordance with a judgment, ruling or decision of a court of competent jurisdiction; or (iv) the Store Sharing Services Framework Agreement and the transactions hereunder fail to comply with the applicable Listing Rules requirements in relation to connected transactions.

Upon termination of the Store Sharing Services Framework Agreement, the relevant individual Store Sharing Services agreements shall be terminated accordingly.

**Pricing policy:**

The terms of the individual Store Sharing Services agreements (including the service fees for the Store Sharing Services) shall be determined after arm's length negotiations between the parties, on normal commercial terms and shall be no less favourable to the Company than those terms for the provision of similar or same type of the services offered by the Group to the independent third parties.

The service fees for the Store Sharing Services shall be determined based on appropriate, reasonable and fair methods, taking into account (i) the operational cost of the relevant Store incurred by the Company (including but not limited to, among others, rental costs, management fees, staff costs, material costs and administrative costs); (ii) the location, type, quality and size of the relevant Store; (iii) the scope and standard of the Store Sharing Services to be provided; (iv) the schedule of the Store Sharing Services required; (v) the prevailing market rate of similar services; (vi) the service fees charged by the Group on other independent third party service recipients in previous similar services provided; and (vii) the service fees charged on the relevant members of Zhuhai Huafa Group by other service providers in previous similar transactions.

For determining the prevailing market rate of the relevant service fees, the Company shall make reference to the average service quotations from not less than three independent third party service providers for providing such similar services in order to ensure that the terms of the individual Store Sharing Services agreements are fair and reasonable and no less favourable to the Company.

**Annual caps:**

The annual cap in respect of service fees receivable from the Store Sharing Services to be provided by the relevant members of the Group to the relevant members of Zhuhai Huafa Group from 16 September 2022 to 31 December 2022 shall not exceed RMB120 million.

In considering the service fees annual cap under the Store Sharing Services Framework Agreement, the Directors have considered a number of factors including:

- (i) Zhuhai Huafa Group's traditional sales and promotion campaigns at physical venues across different regions of the PRC in the second half of 2022; and

- (ii) estimated service fees receivable by the Company with reference to (a) the expected gross floor area, manpower resources and support, and relevant operation costs of Stores which will be required for the provision of Store Sharing Services by the Group for the year ending 31 December 2022, specific service scope and complexity, schedule of service required, and prevailing market rates; and (b) the expected demand for Store Sharing Services from Zhuhai Huafa Group based on discussions between the Company and Zhuhai Huafa.

**Reasons and benefits:**

The Group has over 700 Stores spreading across different regions of the PRC. Due to the downturn of the overall retail industry, certain space and manpower resources of the Stores have not been fully utilised. With the experience of the Group in the past to share certain space at the Stores with players from other industries for sales activities in return for service fees, the Company believes that the showcase of diversified products and services at the Stores will improve visitors traffic at the Stores, which may in turn increase the chance of the public visiting the Stores to purchase the Group's products. The Company is also of the view that the Store Sharing Services contemplated under the Store Sharing Services Framework Agreement will enable the Company to benefit from bringing the Company additional income with Company's existing resources and thus improving the Company's cost efficiency.

**B. PUBLIC WORKS ENGINEERING PURCHASE AND SALE SERVICES FRAMEWORK AGREEMENT**

**Date:** 16 September 2022

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

**Duration:** From 16 September 2022 to 31 December 2022

**Subject matter:** Pursuant to the Public Works Engineering Purchase and Sale Services Framework Agreement, the Group agrees to provide the public works engineering purchase and sale services related to the public construction projects and the supply of the related telecommunication equipment for such projects to Zhuhai Huafa Group, including but not limited to the intelligent projects and public construction equipment, communication signals (corporate lines), fibre-to-the-home and wireless signal coverage projects (collectively, the “**Public Works Engineering Purchase and Sale Services**”).

In consideration of the Public Works Engineering Purchase and Sale Services provided by the Group, the relevant members of Zhuhai Huafa Group agree to pay to the Group the service fees for the Public Works Engineering Purchase and Sale Services.

**Individual  
Public Works  
Engineering  
Purchase and  
Sale Services  
agreements:**

As the Public Works Engineering Purchase and Sale Services Framework Agreement only sets out the framework of the Public Works Engineering Purchase and Sale Services to be provided generally, in respect of the specific services to be provided by the Group, the relevant members of the Group shall enter into individual Public Works Engineering Purchase and Sale Services agreements to set out the scope of the Public Works Engineering Purchase and Sale Services, service fee charging standard, payment schedule and payment methods, etc. with relevant members of Zhuhai Huafa Group. The service fees of each individual Public Works Engineering Purchase and Sale Services agreement shall be charged in accordance with the number of projects and the service scope provided for the specific project based on the actual needs of Zhuhai Huafa Group and after the fulfilment of the internal procurement and service processes of both parties.

The service scope shall be within that of the Public Works Engineering Purchase and Sale Services and the service fees per year shall not be higher than the annual cap under the Public Works Engineering Purchase and Sale Services Framework Agreement. The terms and service fees of the individual Public Works Engineering Purchase and Sale Services agreements shall be negotiated and agreed through arm's length negotiations between the relevant members of the Group and the relevant members of Zhuhai Huafa Group. In the event of conflicts between the terms of the individual Public Works Engineering Purchase and Sale Services agreements and the Public Works Engineering Purchase and Sale Services Framework Agreement, the terms of the Public Works Engineering Purchase and Sale Services Framework Agreement shall prevail.

**Payment terms:**

The service fees shall be charged within 15 Business Days after the completion of individual service and settled within 15 Business Days upon receipt of the relevant invoice(s). The parties may subsequently adopt any other payment terms by mutual agreement, but in any event, such other payment terms shall be no less favourable to the Company than those offered by the Company to any independent third parties.

**Termination:**

Either party may terminate the Public Works Engineering Purchase and Sale Services Framework Agreement prior to the expiration of the service period if either of the following occurs: (i) by written consent of the Company and Zhuhai Huafa; (ii) the defaulting party has committed any material breach of the representations, warranties and other terms of the Public Works Engineering Purchase and Sale Services Framework Agreement, and such breach cannot be remedied in the reasonable opinion of the non-breaching party; (iii) the Public Works Engineering Purchase and Sale Services Framework Agreement is terminated in accordance with the provisions of law or regulation or in accordance with a judgment, ruling or decision of a court of competent jurisdiction; or (iv) the Public Works Engineering Purchase and Sale Services Framework Agreement and the transactions hereunder fail to comply with the applicable Listing Rules requirements in relation to connected transactions.

Upon termination of the Public Works Engineering Purchase and Sale Services Framework Agreement, the relevant individual Public Works Engineering Purchase and Sale Services agreements shall be terminated accordingly.

**Pricing policy:**

The terms of the individual Public Works Engineering Purchase and Sale Services agreements (including the service fees for the Public Works Engineering Purchase and Sale Services) shall be determined after arm's length negotiations between the parties, on normal commercial terms and shall be no less favourable to the Company than those terms for the provision of similar or same type of the services offered by the Group to the independent third parties.

The aforesaid service fees for the Public Works Engineering Purchase and Sale Services shall be determined based on appropriate, reasonable and fair methods, taking into account (i) the estimated sub-contracting costs to be incurred by the relevant members of the Group (including but not limited to, amongst other, the purchase of commodity and construction and installation services) due to the anticipated demand for the relevant public construction projects; (ii) the size of the tender; (iii) the scope and standard of the Public Works Engineering Purchase and Sale Services to be provided; (iv) the schedule of projects; and (v) the prevailing market rate of similar services.

For determining the prevailing market rate of the relevant service fees, the Company shall make reference to the average service quotations from not less than three independent third party service providers for providing such similar services before entering into the individual Public Works Engineering Purchase and Sale Services agreements, in order to ensure that the terms of the individual Public Works Engineering Purchase and Sale Services agreements are fair and reasonable and no less favourable to the Company.

**Annual caps:**

The annual cap in respect of service fees receivable from the Public Works Engineering Purchase and Sale Services to be provided by the relevant members of the Group to the relevant members of Zhuhai Huafa Group from 16 September 2022 to 31 December 2022 shall not exceed RMB120 million.

In considering the service fees annual cap under the Public Works Engineering Purchase and Sale Services Framework Agreement, the Directors have considered a number of factors including:

- (i) Zhuhai Huafa Group's public construction and real estate development projects on hand and related telecommunication equipment and services required in the second half of 2022; and
- (ii) estimated service fees receivable by the Company with reference to (a) the expected specific service scope and complexity of the Public Works Engineering Purchase and Sale Services and project schedule based on the procurement plan of Zhuhai Huafa Group; (b) the scope of goods and service which the Company has the capacity and channels to deliver and the relevant contracts in which the Company is likely to secure in the tendering process; and (c) the expected demand for Public Works Engineering Purchase and Sale Services from Zhuhai Huafa Group based on the discussions between the Company and Zhuhai Huafa.



**Reasons and benefits:**

The Group has the relevant expertise, personnel and supply channels in providing the relevant Public Works Engineering Purchase and Sale Services. On the other hand, Zhuhai Huafa has core business sectors including urban operations and real estate development. Zhuhai Huafa through its various subsidiaries from time to time successfully tenders for urban operation projects and real estate development projects. To fulfill the requirements of such projects, Zhuhai Huafa Group requires to obtain Public Works Engineering Purchase and Sale Services from time to time. The Company is of the view that the Public Works Engineering Purchase and Sale Services contemplated under the Public Works Engineering Purchase and Sale Services Framework Agreement will provide a stable source of income to the Group and allow the Group to maintain a strong strategic and business relationship with Zhuhai Huafa Group, thereby generating synergy potential and creating mutual economic benefits between the Group and Zhuhai Huafa Group.

**C. ADMINISTRATIVE PRODUCTS PURCHASE AND SALE FRAMEWORK AGREEMENT**

**Date:** 16 September 2022

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

**Duration:** From 16 September 2022 to 31 December 2022

**Subject matter:** Pursuant to the Administrative Products Purchase and Sale Framework Agreement, the Group agrees to supply administrative electronic products to Zhuhai Huafa Group for their office and administrative uses, including but not limited to office computers, tablets, e-learning equipment, smart screens, electronic epidemic prevention products (such as electronic sentinels) and other electronic equipment (collectively, the “**Administrative Products**”).

In consideration of the sale of the Administrative Products provided by the Group, the relevant members of Zhuhai Huafa Group agree to pay to the Group the purchase fees for the Administrative Products supplied.

**Individual sale of Administrative Products agreements:**

As the Administrative Products Purchase and Sale Framework Agreement only sets out the framework of the sale of Administrative Products generally, in respect of the specific products to be sold by the Group, the relevant members of the Group shall enter into individual sale of Administrative Products agreements to set out the model, type and quantity of Administrative Products, fee charging standard, payment schedule and payment methods, etc. with the relevant members of Zhuhai Huafa Group. The fees of each individual sale of Administrative Products agreement shall be charged in accordance with the specific model, type and quantity of the Administrative Products supplied based on the actual needs of Zhuhai Huafa Group and after the fulfilment of the internal procurement and service processes of both parties.

The scope of the sale of Administrative Products shall be within that of the Administrative Products Purchase and Sale Framework Agreement and the purchase fees per year shall not be higher than the annual cap under the Administrative Products Purchase and Sale Framework Agreement. The terms and fees of the individual sale of Administrative Products agreements shall be negotiated and agreed through arm's length negotiations between the relevant members of the Group and the relevant members of Zhuhai Huafa Group. In the event of conflicts between the terms of the individual sale of Administrative Products agreements and the Administrative Products Purchase and Sale Framework Agreement, the terms of the Administrative Products Purchase and Sale Framework Agreements shall prevail.

**Payment terms:**

The fees shall be charged within 15 Business Days after the completion of individual sale of Administrative Products agreements and settled within 15 Business Days upon receipt of the relevant invoice(s). The parties may subsequently adopt any other payment terms by mutual agreement, but in any event, such other payment terms shall be no less favourable to the Company than those offered by the Company to any independent third parties.

**Termination:**

Either party may terminate the Administrative Products Purchase and Sale Framework Agreement prior to the expiration of the duration of the aforesaid agreement if either of the following occurs: (i) by written consent of the Company and Zhuhai Huafa; (ii) the defaulting party has committed any material breach of the representations, warranties and other terms of the Administrative Products Purchase and Sale Framework Agreement, and such breach cannot be remedied in the reasonable opinion of the non-breaching party; (iii) the Administrative Products Purchase and Sale Framework Agreement is terminated in accordance with the provisions of law or regulation or in accordance with a judgment, ruling or decision of a court of competent jurisdiction; or (iv) the Administrative Products Purchase and Sale Framework Agreement and the transactions hereunder fail to comply with the applicable Listing Rules requirements in relation to connected transactions.

Upon termination of the Administrative Products Purchase and Sale Framework Agreement, the relevant individual sale of Administrative Products agreements shall be terminated accordingly.

**Pricing policy:**

The terms of the individual sale of Administrative Products agreements (including the purchase fees for the supply of the Administrative Products) shall be determined after arm's length negotiations between the parties, on normal commercial terms and shall be no less favourable to the Company than those terms for the provision of similar or same type of the products offered by the Group to the independent third parties.

The aforesaid purchase fees for the supply of the Administrative Products will be determined based on appropriate, reasonable and fair methods, taking into account (i) the estimated cost of supplying the relevant Administrative Products; (ii) the unit price and the quantity of each Administrative Products which will be sold by the relevant members of the Group to the relevant members of Zhuhai Huafa Group; (iii) the size of the tender; and (iv) the prevailing market rate of similar goods.

For determining the prevailing market rate of the unit price of the Administrative Products, the Company shall make reference to, (i) if the guided-price of the Administrative Products set by manufacturers or suppliers is available, the guided-price of the Administrative Products applies; or (ii) if no guided-price is available, the average quotations from not less than three independent third party service providers for supplying such identical products and quantity before entering into the individual sale of Administrative Products agreements, in order to ensure that the terms of the individual sale of Administrative Products agreements are fair and reasonable and no less favourable to the Company.

**Annual caps:**

The annual cap in respect of the fees receivable from the sale of the Administrative Products to be provided by the relevant members of the Group to the relevant members of Zhuhai Huafa Group from 16 September 2022 to 31 December 2022 shall not exceed RMB120 million.

In considering the annual cap under the Administrative Products Purchase and Sale Framework Agreement, the Directors have considered a number of factors including:

- (i) Zhuhai Huafa Group's increasing demand in the Administrative Products in the second half of 2022 in anticipation of increased demand for administrative activities and the need to update and replace outdated Administrative Products; and
- (ii) estimated fees receivable by the Company with reference to (a) the expected demand and the quantity and scope of Administrative Products to be sold to Zhuhai Huafa Group based on the procurement plan of Zhuhai Huafa and the discussions between the Company and Zhuhai Huafa; and (b) the quantity and scope of goods which the Company has the capacity and channels to supply and the relevant contracts in which the Company is likely to secure from Zhuhai Huafa Group in the tendering process.

**Reasons and benefits:**

2022 has been a year that 5G-related integration and IoT products demonstrated its enormous growth in popularity. The Group has laid solid foundation in the 5G industry, which the Group believes will convert into more sales opportunities. As Zhuhai Huafa is a conglomerate with various subsidiaries having offices located at different places, adding the needs to replace or update office and administrative equipment to improve work efficiency from time to time, Zhuhai Huafa Group requires the supply of Administrative Products from time to time. Leveraging on the existing expertise, personnel and supply channels in the supply of the Administrative Products, by entering into the Administrative Products Purchase and Sale Framework Agreement, the Company is of the view that this will diversify the Group's customer base and enhance the revenue stream of the Group.

**D. R&D AND CONSULTANCY SERVICES FRAMEWORK AGREEMENT**

**Date:** 16 September 2022

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

**Duration:** From 16 September 2022 to 31 December 2022

**Subject matter:** Pursuant to the R&D and Consultancy Services Framework Agreement, the Group agrees to provide to Zhuhai Huafa Group (i) R&D and Consultancy Services for the telecommunication retail industry and its upstream and downstream service sectors (for instance, smart residence) and associated service sectors (for instance, consumer finance); and (ii) research and development services relating to the industry information and system (collectively, the "**R&D and Consultancy Services**").

In consideration of the R&D and Consultancy Services provided by the Group, Zhuhai Huafa and the relevant members of Zhuhai Huafa Group agree to pay to the Group the service fees for the R&D and Consultancy Services.

**Individual R&D and Consultancy Services agreements:**

As the R&D and Consultancy Services Framework Agreement only sets out the framework of the R&D and Consultancy Services to be provided generally, in respect of the specific services to be provided by the Group, the relevant members of the Group shall enter into individual R&D and Consultancy Services agreements to set out the scope of the R&D and Consultancy Services, service fee charging standard, payment schedule and payment methods, etc. with the relevant members of Zhuhai Huafa Group. The service fees of each individual R&D and Consultancy Services agreement shall be charged in accordance with the number of projects and the service scope provided for the specific project based on the actual needs of Zhuhai Huafa Group and after the fulfilment of the internal procurement and service processes of both parties.

The service scope shall be within that of the R&D and Consultancy Services and the service fees per year shall not be higher than the annual cap under the R&D and Consultancy Services Framework Agreement. The terms and service fees of the individual R&D and Consultancy Services agreements shall be negotiated and agreed through arm's length negotiations between the relevant members of the Group and the relevant members of Zhuhai Huafa Group. In the event of conflicts between the terms of the individual R&D and Consultancy Services agreements and the R&D and Consultancy Services Framework Agreement, the terms of the R&D and Consultancy Services Framework Agreement shall prevail.

**Payment terms:** The service fees shall be charged within 15 Business Days after the completion of individual service and settled within 15 Business Days upon receipt of the relevant invoice(s). The parties may subsequently adopt any other payment terms by mutual agreement, but in any event, such other payment terms shall be no less favourable to the Company than those offered by the Company to any independent third parties.

**Termination:** Either party may terminate the R&D and Consultancy Services Framework Agreement prior to the expiration of the service period if either of the following occurs: (i) by written consent of the Company and Zhuhai Huafa; (ii) the defaulting party has committed any material breach of the representations, warranties and other terms of the R&D and Consultancy Services Framework Agreement, and such breach cannot be remedied in the reasonable opinion of the non-breaching party; (iii) the R&D and Consultancy Services Framework Agreement is terminated in accordance with the provisions of law or regulation or in accordance with a judgment, ruling or decision of a court of competent jurisdiction; or (iv) the R&D and Consultancy Services Framework Agreement and the transactions hereunder fail to comply with the applicable Listing Rules requirements in relation to connected transactions.

Upon termination of the R&D and Consultancy Services Framework Agreement, the relevant individual R&D and Consultancy Services agreements shall be terminated accordingly.

**Pricing policy:**

The terms of the individual R&D and Consultancy Services agreements (including the service fees for the R&D and Consultancy Services) shall be determined after arm's length negotiations between the parties, on normal commercial terms and shall be no less favourable to the Company than those terms for the provision of similar or same type of the services offered by the Group to the independent third parties.

The aforesaid service fees for the R&D and Consultancy Services will be determined based on appropriate, reasonable and fair methods, and the following pricing policy shall be adopted in order to ensure that the terms of the individual R&D and Consultancy Services agreements are fair and reasonable and no less favourable to the Company than those available by the Group to the independent third parties.

The Company shall make reference to the service fees charged by the relevant members of the Group to the independent third parties for the provision of similar services; and where such information is not available, the relevant members of the Group and Zhuhai Huafa Group shall make reference to the average service quotations from not less than three independent third party service providers for providing such similar services.

**Annual caps:**

The annual cap in respect of service fees receivable from the R&D and Consultancy Services to be provided by the relevant members of the Group to the relevant members of Zhuhai Huafa Group from 16 September 2022 to 31 December 2022 shall not exceed RMB60 million.

In considering the service fees annual cap under the R&D and Consultancy Services Framework Agreement, the Directors have considered a number of factors including:

- (i) Zhuhai Huafa Group's demand in the R&D and Consultancy Services in the second half of 2022; and
- (ii) estimated service fees receivable by the Company with reference to (a) the estimated number, size, indicative scope and complexity of the R&D and Consultancy Services in relation to each of the consultancy project or system research and development based on the discussion between Company and Zhuhai Huafa; and (b) the prevailing and projected market rate of the provision for similar R&D and Consultancy Services to the corporate clients in the open market.

**Reasons and benefits:**

The Group has carried on the sale of mobile telecommunication devices and the provision of related services since 2001 and is one of the leading mobile telecommunication chain stores in the PRC. With the expertise and experience of the Group in the sale of telecommunication products industry and long-term collaboration relationships with mobile carriers accumulated in the past, the Group has the relevant expertise, personnel and supply channels in providing the relevant R&D and Consultancy Services. Zhuhai Huafa has core business sectors including the financial industry and industrial investment and therefore its subsidiaries which engage in the financial industry and industrial development from time to time require statistical data, research reports and feasibility studies for them to assess the development, market trends and feasibility and merits of potential investment projects of various industries. Value chain of the telecommunication products industry is one of the industries which Zhuhai Huafa may need to study. The Company is of the view that the R&D and Consultancy Services contemplated under the R&D and Consultancy Services Framework Agreement will provide an opportunity for the Company to leverage its existing experience and expertise to expand its business offerings.

**E. CUSTOMERS REFERRAL SERVICES FRAMEWORK AGREEMENT**

**Date:** 16 September 2022

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

**Duration:** From 16 September 2022 to 31 December 2022

**Subject matter:** Pursuant to the Customers Referral Services Framework Agreement, the Group agrees to refer existing customers of the Group to Zhuhai Huafa Group by identifying and targeting existing customers of the Group and distributing to the Group's existing customers with physical or digital membership cards, entitlement cards, consumption coupons, etc., whereby the holders of the aforesaid cards or coupons are entitled to receive promotional materials from Zhuhai Huafa Group and enjoy discounts for services or products provided by Zhuhai Huafa Group (collectively, the "**Customers Referral Services**").

In consideration of the Customers Referral Services provided by the Group, the relevant members of Zhuhai Huafa Group agree to pay to the Group the service fees for the Customers Referral Services.



**Individual Customers Referral Services agreements:**

As the Customers Referral Services Framework Agreement only sets out the framework of the Customers Referral Services to be provided generally, in respect of the specific services to be provided by the Group, the relevant members of the Group shall enter into individual Customers Referral Services agreements to set out the scope of the Customers Referral Services, service fee charging standard and payment methods, etc. with relevant members of Zhuhai Huafa Group in accordance with the specific service required for each project and after the fulfilment of the internal procurement and service processes of both parties.

The service scope shall be within that of the Customers Referral Services and the service fees per year shall not be higher than the annual cap under the Customers Referral Services Framework Agreement. The terms and service fees of the individual Customers Referral Services agreements shall be negotiated and agreed through arm's length negotiations between the relevant members of the Group and the relevant members of Zhuhai Huafa Group. In the event of conflicts between the terms of the individual Customers Referral Services agreements and the Customers Referral Services Framework Agreement, the terms of Customers Referral Services Framework Agreement shall prevail.

**Payment terms:**

The service fees shall be charged within 15 Business Days after the completion of individual service and settled within 15 Business Days upon receipt of the relevant invoice(s). The parties may subsequently adopt any other payment terms by mutual agreement, but in any event, such other payment terms shall be no less favourable to the Company than those offered by the Company to any independent third parties.

**Termination:**

Either party may terminate the Customers Referral Services Framework Agreement prior to the expiration of the service period if either of the following occurs: (i) by written consent of the Company and Zhuhai Huafa; (ii) the defaulting party has committed any material breach of the representations, warranties and other terms of the Customers Referral Services Framework Agreement, and such breach cannot be remedied in the reasonable opinion of the non-breaching party; (iii) the Customers Referral Services Framework Agreement is terminated in accordance with the provisions of law or regulation or in accordance with a judgment, ruling or decision of a court of competent jurisdiction; or (iv) the Customers Referral Services Framework Agreement and the transactions hereunder fail to comply with the applicable Listing Rules requirements in relation to connected transactions.

Upon termination of the Customers Referral Services Framework Agreement, the relevant individual Customers Referral Services agreements shall be terminated accordingly.

**Pricing policy:**

The service fees for the Customers Referral Services shall be charged on the relevant members of Zhuhai Huafa Group at a fixed fee or at a percentage of transaction fee for each customer or order successfully referred by the Group to Zhuhai Huafa Group through various online and offline sales channels of the Group. The service fees for the Customers Referral Services for the individual Customers Referral Services agreements shall be determined by reference to the average service quotations from not less than three independent third party service providers for providing such similar services in order to ensure that the terms of the individual Customers Referral Services agreements are fair and reasonable and no less favourable to the Company. The service fees for the Customers Referral Services for the individual Customers Referral Services agreements shall also be determined after arm's length negotiations having taking into account (i) the prevailing market rate of similar services; (ii) the market practice of similar type of Customers Referral Services; (iii) the nature and value of the referred transaction or customer; (iv) the service fee charging standard by the Group on other independent third party service recipients in previous similar services provided; (v) the service fees charged on the relevant members of Zhuhai Huafa Group by other service providers previously in similar transactions; and (vi) the scope and standard of the Customers Referral Services to be provided.

**Annual caps:**

The annual cap in respect of service fees receivable from the Customers Referral Services to be provided by the relevant members of the Group to the relevant members of Zhuhai Huafa Group from 16 September 2022 to 31 December 2022 shall not exceed RMB120 million.

In considering the service fees annual cap under the Customers Referral Services Framework Agreement, the Directors have considered a number of factors including the estimated service fees receivable by the Company with reference to (a) the number of existing customers maintained by the Group at various sales channels including both online and offline channels; (b) the estimated percentage of existing online and offline customers whom the Group may successfully refer to Zhuhai Huafa Group through both online and offline channels; and (c) the expected demand for Customers Referral Services from Zhuhai Huafa Group based on discussions between the Company and Zhuhai Huafa.

**Reasons and benefits:**

The Group has a broad and high-quality existing customer base from both online and offline sales channels. The Group's "omni-channel fulfillment" cooperation model with mainstream e-commerce platforms has become a model of online and offline cooperation in the industry. The success of the Group's online sales channel is evidenced by the online orders accounting for more than 30% of daily retail business for the year ended 31 December 2021. The Group has accumulated prior experience in referring its existing customers to cooperating telecommunication business partners in return for customers referral service fees. With such previous experience in customers referral and the broad customer base which the Group enjoys, coupled with the huge customer database maintained by the Group which includes age group, region of residence, purchase preferences and occupation etc. of the customers, the Group is able to refer customers of the Group to various Zhuhai Huafa Group's subsidiaries based on the service and product types supplied by the relevant subsidiary and the Group's existing customers' preferences. The Company is of the view that the cooperation under the Customers Referral Services Framework Agreement will provide an opportunity for the Company to leverage its existing broad and high-quality customer base with Zhuhai Huafa Group by fully utilizing its current resources and clientele to generate additional income for the benefit of the Group and the Shareholders as a whole.

**INTERNAL CONTROL MEASURES**

The Group will adopt internal control procedures and corporate governance measures in relation to the transactions contemplated under the Framework Agreements:

- (i) before entering into any individual agreements under the Framework Agreements, the market research department of the relevant members of the Group will be responsible for obtaining the guided-price of the relevant products or services (if any), and if no guided-price is available, obtaining quotations from at least three independent third party service providers for the sale of similar products and/or providing similar services (as the case may be) in order to ensure that the terms of the tendering documents which the Company intends to submit (if tendering process is required before individual agreements are entered) and the terms of the individual agreements under the Framework Agreements are fair and reasonable and no less favourable to the Company, or no more favourable to Zhuhai Huafa, than those offered by the Group to the independent third parties;

- (ii) the finance department of the relevant members of the Group is responsible for monitoring the fees for respective transactions contemplated under each of the individual agreements under the Framework Agreements to ensure that they are in accordance with the relevant Framework Agreements and the Annual Caps 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 Annual Caps will be exceeded, the finance department of the relevant members of the Group will escalate the matter to the senior management of the Company who will co-ordinate at the Group level to take remedial actions and ensure the basis of Annual Caps are followed and are not exceeded;
  
- (iii) the senior management of the relevant members of the Group will review the draft individual agreements under the Framework Agreements and will escalate the matter to the legal department of the Company if the senior management of the relevant members of the Group is of the opinion that there is any non-compliance issue. The legal department of the Company would further review the draft individual agreements and take appropriate recommendations to ensure that such transactions are conducted within the terms of the Framework Agreements, on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. After an individual agreement is approved by the legal department of the Company, the general manager or the deputy general manager of the relevant members of the Group will be responsible for monitoring individual agreements and reviewing and approving any decision required by the operation of the transactions contemplating under the Framework Agreements; and

- (iv) the independent non-executive Directors and auditors of the Company will conduct annual review on the transactions contemplated by the Framework Agreements 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 Framework Agreements will be on normal commercial terms and no less favourable to the Group than those available from independent third parties.

## **INFORMATION ON THE COMPANY AND ZHUHAI HUAFU**

The Company is a joint stock limited company incorporated in the PRC on 31 May 2001. The principal business activity of the Group is the sale of mobile telecommunications devices and accessories and the provision of related services.

Zhuhai Huafa is a state-owned conglomerate based in Zhuhai and is owned by the State-owned Asset Supervision and Administration Commission of Zhuhai Municipal People's Government\* (珠海市人民政府國有資產監督管理委員會) and Department of Finance of Guangdong Province (廣東省財政廳) as to approximately 92.13% and approximately 7.87%, 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 commerce and trade services and modern services.

## **LISTING RULES IMPLICATION**

As at the date of this announcement, Zhuhai Huafa Industrial (and any parties acting in concert with it) and Hong Kong Huafa jointly hold, control or direct approximately 90.76% of the issued shares of the Company and both Zhuhai Huafa Industrial and Hong Kong Huafa are direct wholly-owned subsidiaries of Zhuhai Huafa. Thus, Zhuhai Huafa is the controlling shareholder and the connected person of the Company. As such, the Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Annual Caps under the respective Framework Agreement is over 0.1% but less than 5%, the transactions contemplated under the Framework Agreements are subject to the reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

## GENERAL INFORMATION

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 Zhuhai Huafa Industrial pursuant to a concert party agreement dated 29 January 2021, and therefore the above Directors are deemed to be materially interested in the Framework Agreements and have abstained from voting at the Board meeting for approving the transactions contemplated under Framework Agreements and the proposed Annual Caps. Save as disclosed above, none of the Directors has any material interest in the Framework Agreements and is required to abstain from voting at the Board meeting for approving the transactions contemplated under the Framework Agreements and the proposed Annual Caps.

Taking into account of the relevant pricing policies, the basis for determining the proposed Annual Caps, the reasons for and benefits of entering into the Framework Agreements, the Company's internal control procedures and corporate governance measures, the Directors (including the independent non-executive Directors) are of the view that the Framework Agreements and 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.

## DEFINITIONS

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

“Administrative Products”	the administrative equipment to be sold by the Group to Zhuhai Huafa Group under the Administrative Products Purchase and Sale Framework Agreement as more particularly described in this announcement
“Administrative Products Purchase and Sale Framework Agreement”	the agreement for the sale of the Administrative Products dated 16 September 2022 and entered into between the Company and Zhuhai Huafa
“Annual Cap(s)”	the respective annual caps under the Framework Agreements for the period from 16 September 2022 to 31 December 2022
“Board”	the board of Directors
“Business Day(s)”	any day(s) falling within Monday to Friday inclusive but excluding any statutory holiday for all PRC citizens under PRC law, subject to PRC authority's decision to swap between a working day (i.e. a day falling within Monday to Friday inclusive) and a rest day (i.e. Saturday or Sunday), in which case the authority's decision shall be conclusive

“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 under stock code of 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
“Customers Referral Services”	the services to be provided by the Group to Zhuhai Huafa Group under the Customers Referral Services Framework Agreement as more particularly described in this announcement
“Customers Referral Services Framework Agreement”	the agreement for the provision of the Customers Referral Services dated 16 September 2022 and entered into between the Company and Zhuhai Huafa
“Directors”	the directors of the Company
“Framework Agreements”	collectively, the Store Sharing Services Framework Agreement, the Public Works Engineering Purchase and Sale Services Framework Agreement, the Administrative Products Purchase and Sale Framework Agreement, the R&D and Consultancy Services Framework Agreement and the Customers Referral 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 People’s Republic of China
“Hong Kong Huafa”	Hong Kong Huafa Investment Holdings Limited* (香港華發投資控股有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Public Works Engineering Purchase and Sale Services”	the services to be provided by the Group to Zhuhai Huafa Group under the Public Works Engineering Purchase and Sale Services Framework Agreement as more particularly described in this announcement
“Public Works Engineering Purchase and Sale Services Framework Agreement”	the agreement for the provision of the Public Works Engineering Purchase and Sale Services dated 16 September 2022 and entered into between the Company and Zhuhai Huafa
“R&D”	research and development
“R&D and Consultancy Services”	the services to be provided by the Group to Zhuhai Huafa Group under the R&D and Consultancy Services Framework Agreement as more particularly described in this announcement
“R&D and Consultancy Services Framework Agreement”	the agreement for the provision of the R&D and Consultancy Services dated 16 September 2022 and entered into between the Company and Zhuhai Huafa
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Store Sharing Services”	the services to be provided by the Group to Zhuhai Huafa Group under the Store Sharing Services Framework Agreement as more particularly described in this announcement
“Store Sharing Services Framework Agreement”	the agreement for the provision of the Store Sharing Services dated 16 September 2022 and entered into between the Company and Zhuhai Huafa
“Stores”	the retail stores operated by the Group, including the Group’s self-operated stores, franchised-stores and other third-party retailers cooperated with the Group
“Zhuhai Huafa”	Zhuhai Huafa Group Company Limited (珠海華發集團有限公司), a state-owned enterprise in the PRC owned by the State-owned Asset Supervision and Administration Commission of Zhuhai Municipal People’s Government* (珠海市人民政府國有資產監督管理委員會) and Department of Finance of Guangdong Province (廣東省財政廳) as to approximately 92.13% and approximately 7.87%, respectively, and a controlling shareholder of both Zhuhai Huafa Industrial and Hong Kong Huafa



“Zhuhai Huafa Group”	Zhuhai Huafa, its subsidiaries and its associates from time to time, for the purpose of this announcement, excluding the Group
“Zhuhai Huafa Industrial”	Zhuhai Huafa Industrial Investment Holding Co., Ltd.* (珠海華發實體產業投資控股有限公司), a limited liability company established in the PRC and a controlling shareholder of the Company

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the H Shares of the Company has been suspended with effect from 9:00 a.m. on 4 June 2021 and will remain suspended until further notice. Further announcement(s) will be made by the Company regarding the restoration of the public float as and when appropriate pursuant to the Listing Rules.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

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

Beijing, the PRC  
16 September 2022

*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 purpose only*