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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)**

**(1) DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTION:  
REVISION OF THE EXISTING ANNUAL CAPS UNDER THE 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT AND  
(2) CONTINUING CONNECTED TRANSACTION:  
PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT NO. 2**

**REVISION OF THE EXISTING ANNUAL CAPS UNDER THE 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT**

Reference is made to 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 entered into between the Company and Huafa Finance Company.

The Board has reviewed the existing continuing connected transaction of the Deposit Services (including the existing annual caps) contemplated under the 2024–2026 Financial Services Framework Agreement, and in view of the continuous growth of the Group's business and operational scale, 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 Financial Services Framework Agreement will not be sufficient to meet the demand of the Group.

Accordingly, on 11 March 2024 (after trading hours), the Company and Huafa Finance Company entered into the Supplemental Agreement to increase the existing annual caps for the Deposit Services for the years ending 31 December 2024, 2025 and 2026 to the Revised Deposit Caps in order to cater for the Group's demand in such services, facilitate the Group in the overall capital management and support the Group's potential business growth.

The Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) are conditional upon the approval by the independent Shareholders at the AGM. In any event, prior to obtaining the approval from the independent Shareholders at the AGM, the Company shall continue to comply with the terms of, and the continuing connected transaction (together with the existing annual caps for the Deposit Services) under the 2024–2026 Financial Services Framework Agreement.

## **PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT NO. 2**

Reference is made to the announcement of the Company dated 6 February 2024 in relation to the continuing connected transaction under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 entered into between the Company and Beijing Shangfang.

As the term of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and the cap for the continuing connected transaction thereunder will expire in May 2024, the Company and Beijing Shangfang entered into the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 on 11 March 2024 (after trading hours), pursuant to which, the Group agreed to supply the Photovoltaic Equipment to Beijing Shangfang for the period from the Effective Date to 31 December 2024. The term of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 shall commence from the date of the approval from the independent Shareholders at the AGM in relation to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap) and end on 31 December 2024.

If the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap) are approved at the AGM, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 will terminate on the earlier of (i) the Effective Date of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 or (ii) the expiry date of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1.

## **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, Zhuhai Huafa is a controlling shareholder and 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. Huafa Finance Company, being a subsidiary of Zhuhai Huafa, is also a connected person of the Company. As such, the transaction for the Deposit Services under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Revised Deposit Caps for the Deposit Services under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) exceed 5%, the Deposit Services constitute a non-exempt continuing connected transaction of the Company and are subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Revised Deposit Caps for the Deposit Services under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) exceed 5% but are less than 25%, the Deposit Services are also subject to the requirements applicable to discloseable transaction under Chapter 14 of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules, since the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 were entered into between the Company and the same connected person (i.e. Beijing Shangfang) within a 12-month period and are similar in nature, therefore the transactions contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreements shall be aggregated as if they were one transaction.

As one or more of the applicable percentage ratios in respect of each of (i) the proposed cap (on an individual basis) for the sale of Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, and (ii) the proposed caps (on an aggregated basis) for the sale of Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreements exceed 5%, the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 constitutes a non-exempt continuing connected transaction of the Company and is subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

#### **THE AGM AND DESPATCH OF THE CIRCULAR**

The Company will convene the AGM to consider and, if thought fit, approve, among others, (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap).

In view of the material interest held by Zhuhai Huafa in the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, Huafa Technology Industry Group (and any parties acting in concert with it) and Hong Kong Huafa, both being the subsidiaries of Zhuhai Huafa, are required to abstain from voting on the resolutions proposed at the AGM for approving (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap). Save for the above, to the best of the Director’s 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 AGM and will abstain from voting at the AGM.

Given that (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap) 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 Supplemental Agreement and the transaction contemplated thereunder; (ii) details of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder; (iii) a letter from the Independent Board Committee to the independent Shareholders; and (iv) the recommendation of Innovax to the Independent Board Committee and the independent Shareholders, is expected to be despatched to the Shareholders on or before 5 April 2024 as additional time is required to prepare certain information for inclusion in the circular.

## **BACKGROUND**

Reference is made to 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 entered into between the Company and Huafa Finance Company.

The Board has reviewed the existing continuing connected transaction of the Deposit Services (including the existing annual caps) contemplated under the 2024–2026 Financial Services Framework Agreement, and in view of the continuous growth of the Group's business and operational scale, 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 Financial Services Framework Agreement will not be sufficient to meet the demand of the Group.

Accordingly, on 11 March 2024 (after trading hours), the Company and Huafa Finance Company entered into the Supplemental Agreement to increase the existing annual caps for the Deposit Services for the years ending 31 December 2024, 2025 and 2026 to the Revised Deposit Caps in order to cater for the Group's demand in such services, facilitate the Group in the overall capital management and support the Group's potential business growth.

## THE SUPPLEMENTAL AGREEMENT

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

**Date:** 11 March 2024

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

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

**Subject matter:** The following 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.

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 RMB300 million.

- (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 RMB3 billion.

The financial services received by the Group from Huafa Finance Company pursuant to the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) is 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 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 PRC for the loan with the same type and term.

**Condition precedent:**

The Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) are conditional upon the approval by the independent Shareholders at the AGM.

In any event, prior to obtaining the approval from the Independent Shareholders at the AGM, the Company shall continue to comply with the terms of, and the continuing connected transaction (together with the existing annual caps for the Deposit Services) under the 2024–2026 Financial Services Framework Agreement.

**Revision of annual caps:**

Pursuant to the Supplemental Agreement, conditional upon the approval by the independent Shareholders at the AGM, the existing annual caps for the Deposit Services under the 2024–2026 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	120	120	120
Revised Deposit Caps	300	300	300



**Historical transaction amount:**

The table below sets out the historical transaction amount of the Deposit Services for the years ended 31 December 2022 and 2023 and the two months ended 29 February 2024, as well as the comparisons with the historical annual caps for the Deposit Services under the 2022-2023 Financial Services Framework Agreement for the term from 18 November 2022 to 31 December 2023 and the existing annual caps under the 2024–2026 Financial Services Framework Agreement for the year ending 31 December 2024, respectively.

Historical/Existing Annual Caps			Historical Transaction Amounts		
For the period from 18 November 2022 to 31 December 2022		For the year ended 31 December 2023	For the period from 18 November 2022 to 31 December 2022		For the period from 1 January 2024 to 8 March 2024
(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)	(RMB millions)

**Deposit Services**

Daily maximum outstanding balance of the deposits (including any accrued interests)

120	120	120	101.95	119.92	119.92
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The actual transaction amounts for the Deposit Services under the 2022-2023 Financial Services Framework Agreement for the years ended 31 December 2022 and 2023 and that under the 2024–2026 Financial Services Framework Agreement for the two months ended 29 February 2024 did not exceed their respective annual caps thereunder.

Prior to the obtaining of the approval of the independent Shareholders at the AGM in relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Deposit Caps), the Company will conduct the Deposit Services in accordance with the existing terms of the 2024–2026 Financial Services Framework Agreement. The actual transaction amounts for the Deposit Services from 1 January 2024 and up to the date of the AGM are not expected to exceed their existing annual caps under the 2024–2026 Financial Services Framework Agreement for the year ending 31 December 2024.

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

- (i) the historical daily maximum outstanding deposit balance (including any accrued interests) that were maintained by the Group with Huafa Finance Company and each of its principal banks;
- (ii) the utilisation rates of the daily maximum balance of the deposits placed by the Group with Huafa Finance Company (including any accrued interests) for the years ended 31 December 2022 and 2023 and the two months ended 29 February 2024 reached approximately 84.96%, 99.94% and 99.94% of the respective annual cap, which were at a relatively high level;
- (iii) the Revised Deposit Caps of the Deposit Services provided by Huafa Finance Company accounted for approximately 10.17% of the balance of the cash and cash equivalents of the Group as at 31 December 2023 (i.e. approximately RMB2,948.97 million), which is within a safe and reasonable range;
- (iv) adopting the Revised Deposit Caps will offer greater flexibility for the Group in engaging either Huafa Finance Company or other independent third party principal banks to provide the Deposit Services. The Deposit Services provided by Huafa Finance Company will supplement the principal banks, so that the Group can maintain an optimal capital structure and in the best interests of the Shareholders; and
- (v) the operating cash flow, financial and capital management requirements for the Group's working capital and operation needs and potential business expansion in the future.



**Reasons and benefits:**

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

- (i) in view of the continuous growth of the Group’s business and operational scale, the Directors are of the view that the Group will continue and deploy more Deposit Services provided by Huafa Finance Company. The Directors anticipate 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 Financial Services Framework Agreement will not be sufficient to meet the demand of the Group. Accordingly, the Company entered into the Supplemental Agreement with Huafa Finance Company in order to cater for the Group’s increasing demand in the Deposit Services, facilitate the Group in the overall capital management and support 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 helps 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 Financial Services Framework Agreement (as supplemented by the 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 for 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 the NAFR, and it provides financial services in accordance with and in compliance with the rules and operational requirements of the NAFR. In addition, capital risk can be prevented through the implementation of the risk control measures as stipulated in the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement).

Save for the above revision of the existing annual caps to the Revised Deposit Caps and the basis for determining the Revised Deposit Caps, the other principal terms of the 2024–2026 Financial Services Framework Agreement, including but not limited to the service scope of the financial services, the existing annual caps and 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 credit services, remain unchanged.

## **PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT NO. 2**

Reference is made to the announcement of the Company dated 6 February 2024 in relation the continuing connected transaction under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 entered into between the Company and Beijing Shangfang.

As the term of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and the cap for the continuing connected transaction thereunder will expire in May 2024, the Company and Beijing Shangfang entered into the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 on 11 March 2024 (after trading hours), pursuant to which, the Group agreed to supply the Photovoltaic Equipment to Beijing Shangfang for the period from the Effective Date to 31 December 2024.

The principal terms of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 are set out as follows:

**Date:** 11 March 2024

**Parties:** (a) the Company (as supplier); and  
(b) Beijing Shangfang (as purchaser)

**Effective Date:** The Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 shall be effective from the date of the approval from the independent Shareholders at the AGM in relation to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap).

If the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap) are approved at the AGM, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 will terminate on the earlier of (i) the Effective Date of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 or (ii) the expiry date of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1.

**Term:** For the period commencing from the Effective Date and ending on 31 December 2024.

**Subject matter:** Pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, the Group agreed to purchase the Photovoltaic Equipment from independent third party suppliers and supply such Photovoltaic Equipment to Beijing Shangfang.

**Individual sale of Photovoltaic Equipment agreements:** As the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 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 Beijing Shangfang 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 conflicts between the terms of the specific sales contracts (or the orders thereunder) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, the terms of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 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 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, the Group shall not be responsible for the sale of products or services to Beijing Shangfang.

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 120 days from the date of signing the specific sales contracts (or the orders thereunder) under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2. 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 will pay for the delivery or other arrangement already agreed pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2.

**Pricing policy:**

The price for the sale of the Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 will be determined with reference to the following:

- (i) the cost of purchasing the Photovoltaic Equipment from the upstream suppliers; and/or
- (ii) the prevailing market prices of the relevant Photovoltaic Equipment in the PRC market based on the quotation in the open market obtained from the authoritative third party public source in the photovoltaic industry, including but not limited to the renewable energy and technology research and consulting firm; and/or
- (iii) the prices of comparable transactions (if any) conducted by the Group with independent third parties during the same period; and/or
- (iv) the selling prices for the relevant Photovoltaic Equipment to Beijing Shangfang shall not be lower than the floor prices for the relevant type of the Photovoltaic Equipment which apply unified pricing set by the Company.

**Condition precedent:**

The Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 is conditional upon the approval by the independent Shareholders in relation to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap) at the AGM.

**Historical transaction amount:**

Although there is no historical transaction amount recorded for the sale of Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 for the period from 6 February 2024 to the date of this announcement, Beijing Shangfang has placed an order to the Group in purchasing the relevant Photovoltaic Equipment with a transaction amount of RMB40 million as at the date of this announcement. Since it would normally take time for the upstream suppliers to manufacture the relevant Photovoltaic Equipment and deliver them to the Company after receiving the Company's order, the Company has not completed the delivery of the relevant Photovoltaic Equipment to Beijing Shangfang, and hence the Company has not been able to recognise the fees receivable for the aforesaid sale of the relevant Photovoltaic Equipment to Beijing Shangfang in its financial accounts as at the date of this announcement.

Based on the information currently available to the Company's management and the discussions between the Company and Beijing Shangfang in relation to the procurement plan of Beijing Shangfang, the estimated transaction amount for the sale of Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 on or before 31 March 2024 will reach RMB70 million, which is expected to account for 100% of the existing cap under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1.

**Proposed cap:**

The proposed cap in respect of the fees receivable from the sale of the Photovoltaic Equipment to be provided by the Group to Beijing Shangfang for the period from the Effective Date to 31 December 2024 shall not exceed RMB3,000 million.

In considering the proposed cap under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, the Directors have considered a number of factors including:

- (i) based on the discussions between the Company and Beijing Shangfang, Beijing Shangfang will continue to further expand its business and operation scale of the construction of photovoltaic power plants in various places in the PRC in the following months of 2024, and it is expected that the demand of Beijing Shangfang for the relevant Photovoltaic Equipment from the Group will substantially increase during the term of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2;
- (ii) 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 increasing demand of Beijing Shangfang for the relevant Photovoltaic Equipment from the Group during the term of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2; and
- (iii) the respective estimated average unit prices of the Photovoltaic Equipment, the prevailing market prices and market trend of such products.



**Reasons and benefits:** Coupled with the significant strategic direction of the Group in expanding the new energy business, the Company has been accelerating its development and presence of the new energy and photovoltaic businesses in order to capture the potential business growth and opportunities since 2023.

With strong support from the Chinese government in the new energy and photovoltaic sectors, it is expected that the photovoltaic industry in the PRC will continue to maintain a favorable development trend in the foreseeable future. As a rising 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 coming months of 2024, which is expected to lead to a substantial increase in Beijing Shangfang's procurement demand of the Photovoltaic Equipment from the Group.

On the other hand, the Group has established the solid business relationships with major photovoltaic manufacturers and suppliers. As such, the Company will 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 in order to support the increasing demand of Beijing Shangfang in the relevant Photovoltaic Equipment.

By leveraging on the industry chain layout of Zhuhai Huafa in the new energy industry, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 will enable the Group to further expand its business offerings and enhance its revenue stream and operating performance. The cooperation between the Group and Beijing Shangfang will generate synergy potential and create mutual economic benefits and interests of the Group and Beijing Shangfang, thereby accelerating the development layout of the Group in the new energy and photovoltaic industry.

## **INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES FOR THE 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT (AS SUPPLEMENTED BY THE 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 deposits of same term and same type and, in case of any change in the benchmark deposit interest rate, the deposit interest rate to be payable by Huafa Finance Company shall be determined by reference to and not lower than such benchmark deposit interest rate; and (2) by reference to 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. 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 finance 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 finance department of the Company will report to the senior management of the Company, giving an update of 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 to monitor the daily deposit balance cap when necessary;
- (v) the Directors (including the independent non-executive Directors) will review the transactions contemplated under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and its annual caps each year, to ensure that the transactions contemplated under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) are conducted within the terms of the 2024–2026 Financial Services Framework Agreement (as supplemented by the 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
- (vi) 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 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement).

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 Deposit Services will be conducted on normal commercial terms, fair and reasonable and no less favourable to the Group than those available from independent third parties.

## **CAPITAL RISK CONTROL MEASURES FOR THE 2024–2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT (AS SUPPLEMENTED BY THE 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 NAFR 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 NAFR;
- (iii) Zhuhai Huafa has undertaken to the NAFR 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.

## **INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES FOR THE PHOTOVOLTAIC EQUIPMENT AND COMPONENTS PURCHASE AND SALES FRAMEWORK AGREEMENT NO. 2**

The Company will adopt the below internal control procedures and corporate governance measures in relation to the transactions contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2:

- (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 the Photovoltaic Equipment which apply unified pricing set by the Company based on the market price provided by the business departments of the Group. The selling price of Photovoltaic Equipment offered to Beijing Shangfang will not be lower than the floor price;
- (iv) 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;

- (v) 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 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 to ensure that they are in accordance with the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the proposed cap thereof is 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 cap 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 cap is followed and the proposed cap is not exceeded; and
- (vi) the independent non-executive Directors and auditors of the Company will conduct annual review on the transactions contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 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 Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 will be on normal commercial terms, fair and reasonable and no less favourable to the Group than those available from independent third parties.

## **INFORMATION ON THE PARTIES**

### **The Company**

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

### **Zhuhai Huafa**

Zhuhai Huafa is a state-owned conglomerate based in Zhuhai and is owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government\* (珠海市人民政府國有資產監督管理委員會) and 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 NAFR, and the scope of its operations mainly includes the handling of deposits, loans, settlements and other related businesses, as well as the provision of consulting and agency business such as financial and financing consulting and credit verification services, etc. The ultimate beneficial owner of Huafa Finance Company is Zhuhai Huafa.

## 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, and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Huajin Alpha is entitled to exercise or control the exercise of 51% of the voting power at the general meetings of Zhuhai Shangfang pursuant to the acting-in-concert agreement entered into between Huajin Alpha and one of the other shareholders of Zhuhai Shangfang controlled by Jin Xin.

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\* (珠海鑄盈投資有限公司) (“**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, Zhuhai Huafa is a controlling shareholder and 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. Huafa Finance Company, being a subsidiary of Zhuhai Huafa, is also a connected person of the Company. As such, the transaction for the Deposit Services under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.



As one or more of the applicable percentage ratios in respect of the Revised Deposit Caps for the Deposit Services under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) exceed 5%, the Deposit Services constitute a non-exempt continuing connected transaction of the Company and are subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Revised Deposit Caps for the Deposit Services under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) exceed 5% but are less than 25%, the Deposit Services are also subject to the requirements applicable to discloseable transaction under Chapter 14 of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.83 of the Listing Rules, since the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 were entered into between the Company and the same connected person (i.e. Beijing Shangfang) within a 12-month period and are similar in nature, therefore the transactions contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreements shall be aggregated as if they were one transaction.

As one or more of the applicable percentage ratios in respect of each of (i) the proposed cap (on an individual basis) for the sale of Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, and (ii) the proposed caps (on an aggregated basis) for the sale of Photovoltaic Equipment under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreements exceed 5%, the transaction contemplated under the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 constitutes a non-exempt continuing connected transaction of the Company and is subject to the reporting, announcement, annual review and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **DIRECTORS’ INTEREST AND THE BOARD’S OPINION IN THE ABOVE TRANSACTIONS**

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 29 January 2021, and therefore the above Directors are deemed to be materially interested in the Supplemental Agreement and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, and they have abstained from voting at the Board meeting for approving the transactions contemplated under the Supplemental Agreement (including the Revised Deposit Caps) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 (including the proposed cap). Save as disclosed above, none of the Directors has any material interest in the Supplemental Agreement and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 that would require them to abstain from voting at the Board meeting for approving the transactions contemplated under the Supplemental Agreement (including the Revised Deposit Caps) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 (including the proposed cap).



Taking into account of the relevant pricing policies, the basis for determining the proposed caps, the reasons for and benefits of entering into the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, 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 despatched to the Shareholders) are of the view that the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) (including the Revised Deposit Caps) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 (including the proposed cap) are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **THE AGM AND DESPATCH OF THE CIRCULAR**

The Company will convene the AGM to consider and, if thought fit, approve, among others, (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap).

In view of the material interest held by Zhuhai Huafa in the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2, Huafa Technology Industry Group (and any parties acting in concert with it) and Hong Kong Huafa, both being the subsidiaries of Zhuhai Huafa, are required to abstain from voting on the resolutions proposed at the AGM for approving (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap). Save for the above, to the best of the Director’s 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 AGM and will abstain from voting at the AGM.

Given that (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap) 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 Supplemental Agreement and the transaction contemplated thereunder; (ii) details of the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder; (iii) a letter from the Independent Board Committee to the independent Shareholders; and (iv) the recommendation of Innovax to the Independent Board Committee and the independent Shareholders, is expected to be despatched to the Shareholders on or before 5 April 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
“30%-controlled company”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“AGM”	the annual general meeting of the Company for the year ended 31 December 2023 to consider and, if thought fit, approve the resolutions in relation to, among others, (i) the Supplemental Agreement and the transaction contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap)
“associate”	has the meaning ascribed to it under 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
“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 the PRC law, subject to the 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, 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 deposit services provided by Huafa Finance Company to the Group under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement) or the 2022–2023 Financial Services Framework Agreement (as the case may be) whereby the Group maintains deposits with Huafa Finance Company
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of the approval from the independent Shareholders at the AGM in relation to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap)
“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

“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 Supplemental Agreement and the transaction for the Deposit Services contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap)
“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 Supplemental Agreement and the transaction for the Deposit Services contemplated thereunder (including the Revised Deposit Caps) and (ii) the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2 and the transaction contemplated thereunder (including the proposed cap)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAFR”	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 pursuant to the Photovoltaic Equipment and Components Purchase and Sales Framework Agreements
“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 31 May 2024
“Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2”	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 the Effective Date to 31 December 2024, and conditional on the approval by the independent Shareholders at the AGM
“Photovoltaic Equipment and Components Purchase and Sales Framework Agreements”	collectively, the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 1 and the Photovoltaic Equipment and Components Purchase and Sales Framework Agreement No. 2

“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 Deposit Caps”	the revised deposit caps in respect of the Deposit Services contemplated under the 2024–2026 Financial Services Framework Agreement (as supplemented by the Supplemental Agreement)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the 2024–2026 Financial Services Framework Agreement entered into between the Company and Huafa Finance Company on 11 March 2024 and conditional on the approval by the independent Shareholders at the AGM
“Zhuhai Huafa”	Zhuhai Huafa Group Company Limited* (珠海華發集團有限公司), a state-owned enterprise owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People’s Government* (珠海市人民政府國有資產監督管理委員會) and 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 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  
11 March 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*