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**成都四威科技股份有限公司**

**CHENGDU SIWI SCIENCE AND TECHNOLOGY COMPANY LIMITED**

*(Formerly known as “Chengdu PUTIAN Telecommunications Cable Company Limited 成都普天電纜股份有限公司”)*

*(a sino-foreign joint stock company incorporated in the People’s Republic of China)*

*(Stock Code: 1202)*

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO THE 40TH RESEARCH INSTITUTE SUPPLY  
FRAMEWORK AGREEMENT**

On 9 December 2022, the Company entered into the 40th Research Institute Supply Framework Agreement in relation to the provision of cable connectors for high and low frequency components by the 40th Research Institute to the Company.

**LISTING RULES IMPLICATION**

The 40th Research Institute is a subordinate business entity of China Electronics Technology and China Electronics Technology is the indirect controlling shareholder of the Company. Therefore the 40th Research Institute is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 40th Research Institute Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios relating to the proposed annual caps of the continuing connected transactions between the Company and the 40th Research Institute exceeds 0.1% and is less than 5%, the transactions contemplated under the 40th Research Institute Supply Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders’ approval requirement under the Listing Rules.

**BACKGROUND**

On 9 December 2022, the Company entered into the 40th Research Institute Supply Framework Agreement, in relation to the provision of cable connectors for high and low frequency components by the 40th Research Institute to the Company.

## **THE 40TH RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT**

Details of the 40th Research Institute Supply Framework Agreement are as follows:

- Date: 9 December 2022 (after trading hours)
- Parties: the 40th Research Institute and the Company
- Subject matter: The Company will purchase cable connectors for high and low frequency components from the 40th Research Institute from time to time during the term of the 40th Research Institute Supply Framework Agreement
- Term: The term of the 40th Research Institute Supply Framework Agreement will commence from 1 January 2023 and end on 31 December 2023, subject to early termination by either party giving at least one month's prior written notice to the other party

### **Pricing basis and payment terms**

The transactions under the 40th Research Institute Supply Framework Agreement will be conducted in the ordinary and usual course of business and on normal commercial terms and such pricing basis and payment terms and conditions shall be negotiated on an arm's length basis and be no less favourable to the Company than those available from independent third parties.

The prices of the cable connectors for high and low frequency components sold by the 40th Research Institute to the Company are not fixed and to be determined on the prevailing market prices which are comparable to the prices offered to the Company by independent third parties and to be agreed between the Parties.

In order to ensure that the prices and payment terms and conditions are no less favourable than the market level, the Company will generally monitor the average market prices of similar products and inquire to independent third-party suppliers (at least two) on a regular basis to obtain information of the latest update on the market prices of related products.

## Annual Cap and Basis of Determination

	Historical amounts for the period from 26 August 2022 to 30 November 2022 (RMB) (Unaudited)	Existing annual cap for the year ending 31 December 2022 (RMB)	Proposed annual cap from 1 January 2023 to 31 December 2023 (RMB)
<b>Transaction</b>			
Supply of cable connectors for high and low frequency components	6,943,000	7,000,000	7,000,000
<b>Total</b>	<b>6,943,000</b>	<b>7,000,000</b>	<b>7,000,000</b>

The proposed annual cap for the transactions contemplated under the 40th Research Institute Supply Framework Agreement is determined with reference to the following factors:

- (i) the historical amounts of the relevant transactions with the 40th Research Institute for the period from 26 August 2022 to 30 November 2022;
- (ii) the prevailing market price charged by suppliers comparable to the 40th Research Institute for similar products;
- (iii) the expected demand of the cable connectors for high and low frequency components with reference to the annual demand for such cable connectors of the high and low frequency business of the Company; and
- (iv) the expected average market price charged for the relevant cable connectors during the Term will remain stable.

## INTERNAL CONTROL MEASURES

In order to ensure that the terms under the 40th Research Institute Supply Framework Agreement are no less favourable than those offered by independent third parties of the Company, the Company has adopted the following internal control measures:

1. The Company will obtain the market price by obtaining quotations for similar products offered by independent third parties;
2. The Company will monitor the continuing connected transactions in accordance with the procedures set out in the Company's internal control manual on continuing connected transactions. The Discipline Audit and Legal Risk Control Department\* (紀檢審計與法務風控部) of the Company will conduct regular checks to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with their respective agreements and will also regularly update the market prices for the purpose of considering if the prices charged for a specific transaction are fair and reasonable and in accordance with the stated pricing policy;

3. The external auditors of the Company will conduct an annual review on the pricing, terms and annual cap of the continuing connected transactions;
4. The audit committee of the Board will review at least twice a year the analysis report and the improvement measures prepared by the management of the Company based on the implementation of the continuing connected transactions by the Company; and
5. The independent non-executive Directors will review the implementation and enforcement of the continuing connected transactions on an annual basis.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 40TH RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT**

The Directors is of the view that entering into the 40th Research Institute Supply Framework Agreement is in line with the business development needs of the Company and will help to obtain steady supply of components necessary for the development of the Company's high and low frequency cable component assembly business capabilities and also facilitate the achievement of its annual operating targets.

The Directors (including the independent non-executive Directors) consider that the terms of the 40th Research Institute Supply Framework Agreement and the annual cap are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE GROUP AND 40TH RESEARCH INSTITUTE**

The Group is principally engaged in the technology research and development, product production, sales and service of wires and cables, optical fibers and cables, special cable materials, irradiation processing, cable accessories, special equipment, equipment and devices and equipment for various information industry products (excluding categories restricted or prohibited by the State Council of the PRC).

The 40th Research Institute is a subordinate business entity of China Electronics Technology, established in the PRC and is principally engaged in the production, research and development of electromechanical components including but not limited to cable connectors, relays, switches and metal casings.

China Electronics Technology, the actual controller of the Company and ultimate beneficial owner of the 40th Research Institute, is a major state-owned enterprise and a direct wholly owned subsidiary of the SASAC. It principally engages in the research and manufacturing of products which include electronic equipment, network information systems, industrial foundations, network security and other fields.

## LISTING RULES IMPLICATIONS

The 40th Research Institute is a subordinate business entity of China Electronics Technology and China Electronics Technology is the indirect controlling shareholder of the Company, therefore the 40th Research Institute is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 40th Research Institute Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios relating to the proposed annual caps of the continuing connected transactions between the Company and the 40th Research Institute exceeds 0.1% and is less than 5%, the transactions contemplated under the 40th Research Institute Supply Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

“Board”	board of directors of the Company
“China Electronics Technology”	China Electronics Technology Group Corporation 中國電子科技集團有限公司, a state-owned company established in the PRC with limited liability, which is directly wholly owned by the SASAC
“Company”	Chengdu SIWI Science and Technology Company Limited 成都四威科技股份有限公司, a sino-foreign joint stock company incorporated in the PRC with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign shares in the ordinary share capital of the Company, with a RMB denominated par value of RMB1.00 each
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Share(s)”	domestic shares and/or H Shares
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“40th Research Institute”	The 40th Research Institute of China Electronics Technology* 中國電子科技集團公司第四十研究所, a subordinate business entity of China Electronics Technology
“40th Research Institute Supply Framework Agreement”	the agreement entered into between the Company and the 40th Research Institute on 9 December 2022, pursuant to which the Company has agreed to purchase cable connectors for high and low frequency components from 40th Research Institute from time to time for a term commencing from 1 January 2023 to 31 December 2023
“%”	per cent

\* *For identification purposes only*

By order of the Board  
**Chengdu SIWI Science and Technology Company Limited**  
**Li Tao**  
*Chairman*

Chengdu, the PRC, 9 December 2022

As at the date of this announcement, the Board comprises:

**Executive Directors:** Ms. Li Tao (*Chairman*), Mr. Wu Xiaodong, Mr. Hu Jiangbing, Mr. Zhu Rui, Mr. Jin Tao and Mr. Chen Wei

**Independent Non-executive Directors:** Ms. Fu Wenjie, Mr. Zhong Qishui and Mr. Xue Shujin