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CHINA ELECTRONICS HUADA TECHNOLOGY COMPANY LIMITED

中國電子華大科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00085)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 20 December 2023 (the “Announcement”) in relation to certain continuing connected transactions contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement. The purpose of this supplemental announcement is to provide further information in relation to the internal control measures relating to the pricing mechanism under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement.

In relation to the internal control measures of the Company in determining the price and terms of transactions contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement, the Company has put in place the following measures:

- (1) The Company will comply with its internal control procedures in respect of continuing connected transactions before the Group enters into any transactions contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement. In relation to the property management fees under the 2024 Master Property Management Services Agreement, the Group will review and compare the fees charged by the CEC Group against two quotations from independent third parties or the market rate for similar property management services for premises of comparable in location, area and permitted uses (or in the event that such comparable could not be identified, relevant market comparable obtained from independent valuer) in order to ensure that the property management fees payable

by the Group shall be no less favourable to the Group than terms available from independent third parties. In relation to the 2024 First Master Lease Agreement, the Group will review and compare the rentals rate offered by the CEC Group against two offers from independent third parties (if possible) or the market rental rate of premises of comparable in location, area and permitted uses (or in the event that such comparable could not be identified, relevant market comparable obtained from independent valuer) in order to ensure that the rentals receivable by the Group shall be no more favourable to the CEC Group than terms available to independent third parties. In relation to the 2024 Second Master Lease Agreement, the Group will review and compare the rentals rate charged by the CEC Group against two quotations from independent third parties for premises of comparable in location, area and permitted uses (or in the event that such comparable could not be identified, relevant market comparable obtained from independent valuer) in order to ensure that the rentals payable by the Group shall be no less favourable to the Group than terms available from independent third parties. The audit department of the Group will monitor the process. The internal control system of the Group will also, on an on-going basis regardless of the fees or the rentals, monitor the fees or the rentals receivable or payable from or to connected persons of the Company to ensure that the respective annual caps will not be exceeded before the Group enters into any transaction contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement;

- (2) the Group will monitor the implementation of the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement on a regular basis and ensure that the transactions contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement will be conducted in accordance with the relevant agreements governing them, and the relevant annual caps will not be exceed;
- (3) external auditor will be appointed by the Company pursuant to the Listing Rules to conduct annual review of the transactions contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement (together with the respective annual caps);
- (4) the Company will continue to review on a regular basis the implementation and the effectiveness of the internal control system and the tendering procedures of the Group; and

- (5) independent non-executive Directors will review the continuing connected transactions of the Company (including the transactions contemplated under the 2024 Master Property Management Services Agreement, the 2024 First Master Lease Agreement and the 2024 Second Master Lease Agreement) annually to ensure that they have been carried out in the ordinary and usual course of business of the Group, on normal commercial terms and have been carried out in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By order of the Board of
China Electronics Huada Technology Company Limited
Xu Haidong
Chairman

Hong Kong, 5 January 2024

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Mr. Xu Haidong (Chairman) and Ms. Liu Jinmei, two Executive Directors, namely Mr. Chang Feng (Deputy Chairman and Deputy Managing Director) and Ms. Luo Wenjing, and three Independent Non-executive Directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Chow Chan Lum.