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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
23RD RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT**

On 26 August 2022, the Company entered into the 23rd Research Institute Supply Framework Agreement in relation to the provision of accessories, cables and cable joints for high and low frequency components by 23rd Research Institute to the Group.

LISTING RULES IMPLICATION

23rd Research Institute is a subordinate business entity of China Electronics Technology and China Electronics Technology is the indirect controlling shareholder of the Company. Therefore 23rd Research Institute is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 23rd Research Institute Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As or more of the applicable percentage ratios relating to the proposed annual caps of the continuing connected transactions between the Group and 23rd Research Institute exceeds 0.1% and is less than 5%, the transactions contemplated under the 23rd 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 26 August 2022, the Company entered into the 23rd Research Institute Supply Framework Agreement, in relation to the provision of accessories, cables and cable joints for high and low frequency components by 23rd Research Institute to the Group.

23RD RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT

Details of the 23rd Research Institute Supply Framework Agreement are as follows:

Date:	26 August 2022 (after trading hours)
Parties:	23rd Research Institute and the Company
Subject matter:	The Company will purchase accessories, cables and cable joints for high and low frequency components from 23rd Research Institute from time to time during the term of the 23rd Research Institute Supply Framework Agreement
Term:	The term of the 23rd Research Institute Supply Framework Agreement will commence from 26 August 2022 and end on 31 December 2022, 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 23rd 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 Group than those available from independent third parties.

The price of the accessories, cables and cable joints for high and low frequency components sold by 23rd Research Institute to the Group are not fixed and to be determined on the prevailing market prices which are comparable to the prices offered to the Group 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 Group 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 components.

Annual Cap and Basis of Determination

Transaction	Historical amounts (RMB)	Proposed annual cap from 26 August 2022 to 31 December 2022 (RMB)
Supply of accessories, cables and cable joints for high and low frequency components	0	7,000,000
Total	0	7,000,000

The proposed annual cap for the transactions contemplated under the 23rd Research Institute Supply Framework Agreement is determined with reference to the following factors:

- (i) the prevailing market price charged by suppliers comparable to 23rd Research Institute for similar components;
- (ii) the expected demand of the accessories, cables and cable joints for high and low frequency components with reference to the annual demand for such accessories, cables and cable joints of the high and low business of the Company; and
- (iii) the expected average market price charged for the relevant components during the Term will remain stable.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the 23rd 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 components 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 23RD RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT

The Directors is of the view that entering into the 23rd Research Institute Supply Framework Agreement is in line with the business development needs of the Group and will help to obtain steady supply of components necessary for the development of the Group'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 23rd 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 Group and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND 23RD 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).

23rd 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 optical transmission, electrical transmission, optical sensing related technology and products.

China Electronics Technology, the actual controller of the Company and ultimate beneficial owner of 23rd 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

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As or more of the applicable percentage ratios relating to the proposed annual caps of the continuing connected transactions between the Group and 23rd Research Institute exceeds 0.1% and is less than 5%, the transactions contemplated under the 23rd 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

“23rd Research Institute”	23rd Research Institute of China Electronics Technology, a subordinate business entity of China Electronics Technology
“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 (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 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
“23rd Research Institute Supply Framework Agreement”	the agreement entered into between the Company and 23rd Research Institute on 26 August 2022, pursuant to which the Group has agreed to purchase accessories, cables and cable joints for high and low frequency components from 23rd Research Institute from time to time
“%”	per cent

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

Chengdu, the PRC, 26 August 2022

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

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

Independent Non-executive Directors: Ms. Fu Wenjie, Mr. Xiao Xiaozhou and Mr. Zhong Qishui