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成都四威科技股份有限公司

CHENGDU SIWI SCIENCE AND TECHNOLOGY COMPANY LIMITED

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

(Stock Code: 1202)

POTENTIAL VERY SUBSTANTIAL DISPOSAL OF EQUITY INTERESTS IN A SUBSIDIARY THROUGH PUBLIC TENDER

POTENTIAL DISPOSAL

The Board announces that the Company intends to dispose of the entire equity interests in Putian New Material, a direct wholly-owned subsidiary of the Company. Since the Disposal Interests are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Potential Disposal will be conducted by way of Public Tender at CUAEE.

On 28 August 2025, the Company published the Public Tender Notice for the Disposal Interests at CUAEE. The initial Public Tender period commences on 29 August 2025 and will remain open for twenty (20) working days in the PRC.

The initial Public Tender price for the Potential Disposal will be approximately RMB117,659,500. In the event that there is no potential transferee for the Disposal Interests upon expiration of the initial Public Tender period (i.e. on 25 September 2025 (assuming there are no circumstances which would delay or extend such initial Public Tender period), the Public Tender period can be extended for 12 months, and the final Public Tender price can be reduced to an amount not less than 90% of the initial Public Tender price. Accordingly, the final consideration will in any event be no less than approximately RMB105,893,550.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Potential Disposal is more than 75%, the Potential Disposal, if materialized, will constitute a very substantial disposal of the Company and is subject to reporting, announcement, circular, and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. To the best of the Directors' knowledge and based on information currently available to the Directors, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the Potential Disposal.

After the final consideration and the Purchaser have been confirmed, the Company will make further announcement(s) and comply with the relevant requirements under the Listing Rules.

As at the date of this announcement, the Potential Disposal has not materialized, the identity of the Purchaser has not been determined, the Company has not signed the Equity Transfer Agreement. As the Potential Disposal may or may not materialize, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

POTENTIAL DISPOSAL OF 100% OF EQUITY INTERESTS IN PUTIAN NEW MATERIAL

On 25 July 2025, the Board approved a proposed plan to dispose of all of the Company's 100% equity interests in Putian New Material. In accordance with the relevant requirements governing the transfer of state-owned assets of the enterprise in the PRC, the Potential Disposal will be conducted by way of Public Tender at CUAEE.

The Public Tender Notice which sets out, among others: (i) the initial Public Tender price; (ii) the principal terms of the transaction; and (iii) the descriptions and qualifications of the Purchaser, has been submitted to CUAEE and published on the website of CUAEE at http://www.cquae.com on 28 August 2025. The initial Public Tender period commences on 29 August 2025 and will remain open for twenty (20) working days in the PRC.

MAJOR TERMS OF THE POTENTIAL DISPOSAL

Public Tender

The Company will undergo the process of Public Tender at CUAEE in accordance with the relevant laws and regulations of the PRC. During the publication period of the Public Tender Notice, potential transferees are required to complete the application procedures, following which they can conduct due diligence on Putian New Material. The potential transferees may then pay a transaction deposit in accordance with CUAEE's requirement, which is normally an amount not exceeding 30% of the initial Public Tender price, and shall submit their bids together with other supporting documents before the end of such Public Tender period.

Date and Procedures of the Public Tender

The initial Public Tender period commences on 29 August 2025 and will remain open for twenty (20) working days in the PRC. If there is no potential transferee for the Disposal Interests upon expiration of the initial Public Tender period (i.e. on 25 September 2025 (assuming there are no circumstances which would delay or extend such initial Public Tender period), the Public Tender period can be extended for twelve (12) months.

Upon expiration of the Public Tender period, if there is only one potential transferee being accepted by CUAEE and the Company as a qualified transferee, such potential transferee will be the final transferee. If there are more than one potential transferee accepted by CUAEE and the Company as qualified transferees, the Public Tender will enter into an online bidding process during which the final transferee with the highest bid price, being the Purchaser, will be elected. Upon expiration of the Public Tender period, CUAEE will notify the Company of the identity of the Purchaser. After the Purchaser is determined and subject to the negotiation, the parties will enter into the Equity Transfer Agreement within five (5) working days. Once the Purchaser is determined, the Company will make further announcement in relation to (a) the identity and principal business activities of the Purchaser and (b) the date of the proposed transaction as soon as practicable.

As at the date of this announcement, (i) no binding agreement, arrangement or commitment has been entered into by the Company (or any members of the Group) with respect to the Potential Disposal, and (ii) material information of the Equity Transfer Agreement including the Purchaser, final consideration, payment method, delivery and completion timeline have not been determined.

To the best of the Directors' knowledge and based on information currently available to the Directors, no connected persons of the Company will participate in the Public Tender. In the event that any connected person of the Company register as a bidder and the Company wishes to include their bid, the Company will make further announcement and comply with the relevant requirements under the Listing Rules.

Consideration and payment terms

Subject to the below, the final consideration will depend on the final bid price provided that it is not less than the final Public Tender price.

The initial Public Tender Price is set at approximately RMB117,659,500 and is determined with reference to the valuation of the entire equity interests of Putian New Material as at 28 February 2025 conducted by the Valuer using the asset-based approach. According to the Valuation Report, the value of the 100% shareholder equity interests of Putian New Material as at 28 February 2025 is estimated to be approximately RMB117,659,500. The Directors are of the view that the initial Public Tender price is fair and reasonable and in the interest of the Company and its Shareholders.

In the event that there is no potential transferee for the Disposal Interests upon expiration of the initial Public Tender period (i.e. on 25 September 2025 (assuming there are no circumstances which would delay or extend such initial Public Tender period), the final Public Tender price can be reduced to an amount not less than 90% of the initial Public Tender price. Accordingly, the final consideration will in any event be no less than approximately RMB105,893,550.

Subject to the terms of the Equity Transfer Agreement which shall be entered into between the Company and the Purchaser, and based on the current laws and regulations governing the transfer of state-owned assets, the consideration shall, in principle, be paid in full within five (5) working days after the Equity Transfer Agreement takes effect. If the amount is relatively large and difficult to pay in full, payment by installments may be permitted. Where such payment by installments is adopted, the first installment shall not be less than 30% of the total consideration and shall be paid within five (5) working days from the effective date of the Equity Transfer Agreement. Regarding the outstanding amount, a guarantee shall be provided by the Purchaser to the Company. The duration of the payment installment arrangement shall not exceed one year.

Upon completion of the bidding process, the transaction deposit paid by the Purchaser at the outset will form part of the final consideration. For the potential bidders who fail to win the bid, CUAEE will refund the transaction deposit in accordance with its rules. The final consideration shall be paid pursuant to the terms of the Equity Transfer Agreement to be executed by the Company with the Purchaser.

Condition Precedents

The completion of the Potential Disposal will be conditional upon the Shareholders having approving the Equity Transfer Agreement to be entered into at the EGM. Furthermore, subject to the actual terms of the Equity Transfer Agreement, other general condition precedents include (i) the Purchaser shall be a legally established and duly existing legal entity, organization, or a natural person with full legal capacity; (ii) the Purchaser shall possess sound financial condition and payment capability; (iii) the Purchaser shall have good commercial credit with clean record of operation misconduct; and (iv) other conditions stipulated by applicable laws and regulations from time to time. The Company will make further announcement in relation to any specific condition precedents after the Potential Disposal is materialized and the identity of the Purchaser is determined.

GENERAL INFORMATION

The Company is principally engaged in the technology research and development, product production, sales and service of wires and cables, optical fibres 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).

Putian New Material is a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company. Putian New Material is primarily engaged in the manufacture and sales of heat-shrinkable tubing, cold-shrink tubing, electrical wires and cables, plastic pipes, and related accessories, as well as the provision of irradiation processing services.

Set out below are the key financial information of Putian New Material:

	As at 28 February 2025 *(RMB'000)*	As at 31 December 2024 *(RMB'000)*	As at 31 December 2023 *(RMB'000)*
Total assets	88,061.1	87,605.7	86,948.8
Total liabilities	70,841.9	43,674.4	46,789.3
Net assets	17,219.2	43,931.3	40,159.5

	For the two months ended 28 February 2025 *(RMB'000)*	For the year ended 31 December 2024 *(RMB'000)*	For the year ended 31 December 2023 *(RMB'000)*
Total revenue	1,687.5	9,828.4	10,529.3
Profit/(Loss) before tax	(26,712.1)	3,771.8	3,972.5
Profit/(Loss) after tax	(26,712.1)	3,771.8	3,972.5

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

The main business of Putian New Material was the manufacturing and sales of heat-shrinkable tubing, cold-shrink tubing, electrical wires and cables, plastic pipes and related accessories, as well as the provision of irradiation processing services. Putian New Material has closed down its main business in December 2021 and only retained the necessary management and logistical staff to manage its remaining land leasing activities. To be specific, Putian New Material closed down its main business of manufacturing and sales of heat-shrinkable products (including tubing) in 2017 due to the long-term losses caused by market decline. After the closure of the heat-shrinkable products business, Putian New Material reported a profit of approximately RMB8.20 million for FY2017, which saw an increase of approximately RMB40.78 million compared to the loss of approximately RMB32.58 million for FY2016. In December 2021, Putian New Material further closed down its business of radiation processing services due to the low business volume and high operating costs, after which its revenue for FY2022 decreased by RMB1.67 million year-on-year, while its profit saw a slight increase of RMB0.11 million compared to FY2021. The close down of the main business of Putian New Material did not cause negative impact on the Company's operation and, as assessed by the Board, does not constitute inside information (as defined under the Listing Rules) to the Company at the material time.

After the above closure, the remaining assets of Putian New Material mainly consist of funds, lands, fixed assets (including buildings and equipment) as well as investment properties. The Directors are of the view that it is a good opportunity to realise the sale of assets at a reasonable price by way of disposal of equity interest under the current market condition. The cash flows and profits generated from the Potential Disposal will further improve the overall financial position and working capital condition of the Company and also enable the Company to invest in the development of new products in due course.

Having considered the above factors, in particular the Company's business strategy and development plan, the Directors are of the view that (i) the Potential Disposal will not cause material adverse impacts on the Company's principal business and daily operations and (ii) it is an opportune time to proceed with the Potential Disposal, and the consideration and terms of the Potential Disposal are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE POTENTIAL DISPOSAL AND USE OF PROCEEDS

If the Potential Disposal materialises, the Company will no longer hold any interests in Putian New Material, and Putian New Material will cease to be a subsidiary of the Company, such that the financial results of Putian New Material will cease to be consolidated in the financial statements of the Company.

Based on the initial Public Tender price for the Potential Disposal of approximately RMB117,659,500, and the book value of 100% equity interest in Putian New Material of approximately RMB17,219,217.26 as of 28 February 2025, the gain (before tax) from the Potential Disposal is approximately RMB100,440,282.74. The aforementioned estimated gain is calculated with reference to the initial Public Tender price, and the book value of the relevant assets and liabilities of Putian New Material. The actual gain received by the Company from the Potential Disposal can only be ascertained after the final consideration is determined and will be subject to the audited consolidated financial statements of the Company. Thus, in respect of the financial effects of the Potential Disposal, the Company expects to record (i) a gain (before tax) of approximately RMB100,440,282.74 from the Potential Disposal; (ii) an increase in the total assets of the Group by having additional cash of approximately RMB117,659,500; and (iii) an increase of the owners' equity of the Group.

The net proceeds from the Potential Disposal will be approximately RMB91,000,000, taking into account (i) the initial Public Tender price of approximately RMB117,659,500; and (ii) the estimated expenses (including agency fees, legal fees, ancillary expenses and taxes payable as a result of the Potential Disposal) of approximately RMB26,659,500. The Company intends to use the net proceeds towards new products development investments in the following manner:

Purpose	**Allocation of the net proceeds from the Potential Disposal** *(RMB)*	**Approximately percentage**	**Expected timeline for investment and development**	**Expected timeline for utilizing the net proceeds from the Potential Disposal**
Research and development of special cables, passive optical products, medium- and low-speed optical modules, and analogue optical module	15,000,000	16.48%	2026	Within 12 months from the investment
Research and development of high-end cables, precision cable assemblies, special fibre optic cables and components (Phase I), and high-speed optical module	34,000,000	37.36%	2027–2028	Within 24 months from the investment
Research and development of high-speed cables and components, special fibre optic cables and components (Phase II), silicon optical modules, optical link system	42,000,000	46.15%	2029–2030	Within 36 months from the investment
Total	**91,000,000**	**100%**		

VALUATION METHODOLOGY

Selection basis of valuation methods

In arriving at the value of the Disposal Interests, three generally accepted approaches were considered, namely the income approach, the market approach and the asset-based approach. After careful analysis, the asset-based approach was selected by the Valuer because, as of the valuation date, (i) the on-balance sheet and off-balance sheet assets and liabilities of Putian New Material can be identified and valued using appropriate valuation methods; and (ii) there were no assets or liabilities that had material impact on Putian New Material but cannot be identified. The basic formula for the asset-based approach is as follows:

> The value of the shareholders' total equity interests =
> Sum of the appraised values of all assets – Sum of the appraised values of all liabilities

According to the Valuer, the income approach is not suitable because, as of the valuation date, (i) Putian New Material had closed down its main business and did not have any future production and operation plan; (ii) its remaining land leasing activities were not sustainable, with earnings and risks being difficult to quantify; and (iii) it did not possess independent operational capacity, thus operating costs cannot be reasonably determined. The market approach is also considered as inappropriate because (i) Putian New Material is unlisted while the comparable public companies in the similar industry differ significantly in business structure, operation model, scale, stage of development and risk profile; and (ii) there was a lack of reliable transaction data from comparable industry cases around the valuation date, rendering it difficult to calculate the relevant value ratios.

Key assumptions

According to the Valuation Report, the following key assumptions were made in determining the value of the Disposal Interests.

(i) Open market assumption

Assets can be freely bought and sold in a fully competitive market, where prices are determined by the judgments of independent buyers and sellers under given market supply conditions.

(ii) Transaction assumption

All assets and liabilities being valued are assumed to be involved in a simulated transaction process.

(iii) In-place and in-use assumption

Assets are assumed to remain in their current location or installation site and continue to be used in such location or installation site.

(iv) Existing use assumption

Assets are assumed to continue serving their current purpose and function.

(v) Stable macro environment

No significant changes will occur in the political, economic or social environment of the place where Putian New Material is operating.

(vi) Stable key variables

No significant fluctuations or changes will occur in the exchange rates, interest rates, taxes, inflation, demographics, or industrial policies.

(vii) Effective use of assets

The major operating assets of Putian New Material are used efficiently without idleness or ineffective utilization.

(viii) Consistency of accounting policies

The accounting policies to be applied by Putian New Material in the future are consistent in all material respects with those used in preparing the Valuation Report.

(ix) Reliability of information

Information provided by Putian New Material and the related parties is true, lawful, and complete.

(x) No force majeure

No event of force majeure will significantly impact the operation of Putian New Material.

(xi) Assumption regarding unverified information

For assets conditions and information that could not be verified or investigated, they are assumed to be true and authentic. Any related-party transactions are assumed to be conducted at fair market value.

Key inputs and calculation process

Under the asset-based approach, the Valuer evaluated each category of assets and liabilities separately using appropriate methods:

(i) Current assets:

- For cash, notes receivable, accounts receivable, receivables financing and prepayment, they were generally valued at their book values after verification, with necessary adjustments made based on their recoverability, aging periods and risk conditions.

- For inventories, the cost method of valuation was adopted to determine the appraised value.

(ii) Non-current assets:

- For fixed assets of buildings and investment properties, the replacement cost approach was applied, the formula of which was:

  Appraised value = Replacement Cost × Composite Depreciation Rate.

  The replacement cost was determined by considering construction costs, preliminary expenses, other expenses and capital costs, with deduction of value-added tax. The comprehensive depreciation rate was determined by considering both age-based depreciation (40% weighting) and condition-based depreciation from on-site inspection (60% weighting).

- For fixed assets of equipment, depending on the type of equipment and the relevant second-hand market conditions (if applicable), the market approach or the replacement cost approach was adopted: (i) while applying the market approach, the conditions of the assets and the prices of comparable transaction cases in the relevant second-hand markets were considered; and (ii) while applying the replacement cost approach, the replacement cost and aged-based depreciation rate were considered.

- For intangible assets of land use rights, the market approach was adopted with reference to the conditions of the relevant lands and comparable transaction cases.

- For intangible assets of software, depending on the type and characteristics of the relevant software, the market approach or the cost approach was adopted: (i) if the software was still available for purchase in the market, the market approach was adopted; (ii) if the software was no longer available in the market but remained usable for its original function, the cost approach was adopted.

(iii) Liabilities:

- The liabilities of Putian New Material were confirmed through verification of supporting documents and were generally recognized at their book values as of the valuation date.

Analysis of the reasons for the difference between appraised values and book values

According to the Valuation Report, there are material differences between the book values and appraised values in relation to (i) certain fixed assets of buildings, investment properties, equipment and land use rights; and (ii) deferred revenue. The reasons for such differences are as follow.

(i) For buildings and investment properties, they were constructed from an earlier period and due to the continuous development of PRC economy, the labor costs, the machinery costs and the construction costs had increased, resulting in an increase in appraisal value.

(ii) For equipment, depending on the replacement cost and aged-based depreciation rate, there may be an increase or decrease in appraisal value.

(iii) For land use rights, as they were acquired from an earlier period and due to the continuous development of PRC economy, land prices have risen, resulting in an increase in appraisal value.

(iv) For deferred revenue, it represented the amortized balance of land relocation compensation funds to be paid by the local government, which cannot be fully recognized as revenue in the current period for accounting purposes. Based on the verification of supporting documents, it was confirmed that this liability was government grant funds designated for specific purposes, with no additional or acceptance conditions. Since Putian New Material was not required to repay it, the assessed value is zero.

The Board's assessment

The Board considered that the appraised result of the Disposal Interests is fair and reasonable for the reasons as follows:

(i) the Valuation Report has been prepared in compliance with PRC valuation procedures, standards, laws and regulations by the Valuer who has appropriate qualifications;

(ii) the Valuer had comprehensively reviewed the financial information, operational information and other relevant information of Putian New Material;

(iii) the reasons for adopting the asset-based approach for the valuation is appropriate considering the operation status of Putian New Material;

(iv) the key assumptions adopted by the Valuer are reasonable and as advised by the Valuer, they were commonly used in valuing similar companies;

(v) the key inputs and calculation process for different kinds of assets and liabilities, as well as the valuation results, are reasonable and consistent with the actual conditions of the relevant assets and liabilities; and

(vi) the material differences between the appraised values and book values for certain assets and liabilities were supported by reasonable justification and explanation.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Potential Disposal is more than 75%, the Potential Disposal, if materialized, will constitute a very substantial disposal of the Company and is subject to reporting, announcement, circular, and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. To the best of the Directors' knowledge and based on information currently available to the Directors, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the Potential Disposal.

Upon the expiration of the initial Public Tender period (i.e. on 25 September 2025 (assuming there are no circumstances which would delay or extend such initial Public Tender period) and if the Potential Disposal is materialized, a circular containing, among other things, (i) further details of the Potential Disposal; (ii) the Valuation Report; (iii) the notice convening the EGM; and (iv) other information as required under the Listing Rules, is expected to be despatched to the Shareholders as soon as possible, which will be on or before 15 October 2025. Subject to the tender result, the Company will make further announcement as to expected date of despatch of the circular.

As at the date of this announcement, the Potential Disposal has not materialized, the identity of the Purchaser has not been determined, the Company has not signed the Equity Transfer Agreement. As the Potential Disposal may or may not materialize, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

DEFINITIONS

"Board"	the board of Directors
"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
"CUAEE"	Chongqing United Assets and Equity Exchange (重慶聯合產權交易所有限公司)
"Directors"	the director(s) of the Company
"Disposal Interests"	100% of the equity interests in Putian New Material intended to be disposed of
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder
"Equity Transfer Agreement"	the equity transfer agreement entered into between the Company and the Purchaser in relation to the Potential Disposal
"Group"	the Company and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan

"Potential Disposal"	the potential disposal of 100% equity interest in Putian New Material by the Company in the Public Tender
"Public Tender"	the proposed public tender for disposal of 100% equity interest in Putian New Material held by the Company through CUAEE
"Public Tender Notice"	the notice published on 28 August 2025 by the Company for the Disposal Interests at CUAEE
"Purchaser"	an entity which will enter into the Equity Transfer Agreement as purchaser for the acquisition of 100% equity interest in Putian New Material
"Putian New Material"	Chengdu PUTIAN New Material Company Limited* (成都普天新材料有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holders of the share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Valuation Report"	the valuation report issued by China Faith Appraisers in respect of the valuation of Putian New Material as at 28 February 2025
"Valuer"	China Faith Appraisers Co, Ltd* (北京國友大正資產評估有限公司), an independent professional valuer with asset valuation qualifications
"%"	per cent

* *For identification purposes only*

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

Chengdu, the PRC, 28 August 2025

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

Executive Directors:	Ms. Li Tao *(Chairman)* Mr. Wu Xiaodong
Non-executive Directors:	Mr. Chen Wei Mr. Xu Jiaxin Mr. Xu Ningbo Mr. Zeng Li
Independent Non-executive Directors:	Ms. Fu Wenjie Mr. Kang Yiguo Mr. Li Shaorong