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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)**

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE RENEWAL OF 23RD RESEARCH INSTITUTE  
SUPPLY FRAMEWORK AGREEMENT**

Reference is made to the announcements of the Company dated 26 August 2022 and 9 December 2022 in relation to, among others, the 2022 23rd Research Institute Supply Framework Agreement and the 2023 23rd Research Institute Supply Framework Agreement for the provision of accessories, cables and cable joints for high and low frequency components by the 23rd Research Institute to the Company.

**RENEWAL OF 23RD RESEARCH INSTITUTE SUPPLY FRAMEWORK  
AGREEMENT**

Since the 2023 23rd Research Institute Supply Framework Agreement will be due to expire on 31 December 2023 and it is expected that the Group will continue to enter similar transactions thereafter, on 22 December 2023 (after trading hours), the Company and the 23rd Research Institute, entered into the 2024 23rd Research Institute Supply Framework Agreement, pursuant to which 23rd Research Institute agreed to supply and the Company agreed to purchase accessories, cables and cable joints for high and low frequency components for a fixed term commencing from 1 January 2024 to 31 December 2024 (both dates inclusive).

**LISTING RULES IMPLICATIONS**

The 23rd Research Institute is a subordinate business entity of China Electronics Technology, the indirect controlling shareholder of the Company. Accordingly, the 23rd Research Institute is an associate of China Electronics Technology and is regarded as a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2024 23rd Research Institute Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps under the 2024 23rd Research Institute Supply Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the 2024 23rd Research Institute Supply Framework Agreement are subject to reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE 2024 23RD RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT**

Since the 2023 23rd Research Institute Supply Framework Agreement will be due to expire on 31 December 2023 and it is expected that the Group will continue to enter similar transactions thereafter, on 22 December 2023 (after trading hours), the Company and the 23rd Research Institute, entered into the 2024 23rd Research Institute Supply Framework Agreement, pursuant to which 23rd Research Institute agreed to supply and the Company agreed to purchase accessories, cables and cable joints for high and low frequency components for a fixed term commencing from 1 January 2024 to 31 December 2024 (both dates inclusive).

The principal terms of the 2024 23rd Research Institute Supply Framework Agreement are as follows:

Date: 22 December 2023

Parties: the 23rd Research Institute and the Company (the "**Parties**")

Subject matter: The Company will purchase accessories, cables and cable joints for high and low frequency components from the 23rd Research Institute from time to time during the term of the 23rd Research Institute Supply Framework Agreement

Effective term: From 1 January 2024 to 31 December 2024 (both dates inclusive) (the "**Term**")

### **Pricing Basis and Payment Terms**

The transactions under the 2024 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 arm's length basis and be no less favourable to the Company than those available from independent third parties.

The prices of the accessories, cables and cable joints for high and low frequency components sold by the 23rd 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 the 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 components. The Company will also review the prices and the payment terms and conditions of each transaction.

### Annual Cap and Basis of Determination

	<b>Historical amounts for the year ended 31 December 2022 (RMB) (audited)</b>	<b>Historical amounts for the ten months ended 31 October 2023 (RMB) (unaudited)</b>	<b>Existing annual cap for the year ending 31 December 2023 (RMB)</b>	<b>Proposed annual cap for the year ending 31 December 2024 (RMB)</b>
Supply of accessories, cables and cable joints for high and low frequency components	3,996,605 (tax-included)	4,530,800 (tax-included)	7,000,000	7,000,000

In determining the proposed annual caps, the following factors have been taken into consideration:

- (i) the historical transaction amounts under the 2022 23rd Research Institute Supply Framework Agreement and 2023 23rd Research Institute Supply Framework Agreement;
- (ii) the prevailing market price charged by suppliers comparable to the 23rd Research Institute for similar components;
- (iii) the expected demand of the accessories, cables and cable joints for high and low frequency components with reference to the actual demand for such accessories, cables and cable joints of the high and low business of the Company;
- (iv) the expected average market price charged for the relevant components during the Term will remain stable.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE 2024 23RD RESEARCH INSTITUTE SUPPLY FRAMEWORK AGREEMENT

The Directors is of the view that entering into the 2024 23rd 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 2024 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 Company and in the interest of the Company and its Shareholders as a whole.

## **INTERNAL CONTROL**

In order to ensure that the terms under the 2024 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 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 state pricing policy;
3. the external auditors of the Company will conduct 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.

## **INFORMATION OF THE GROUP, CHINA ELECTRONICS TECHNOLOGY AND THE 23RD RESEARCH INSTITUTE GROUP**

The Group 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).

The 23rd Research Institute is a subsidiary business entity of China Electronics Technology, established in the PRC and is principally engaged in the product, 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 the 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

The 23rd Research Institute is a subordinate business entity of China Electronics Technology, the indirect controlling shareholder of the Company. Accordingly, the 23rd Research Institute is an associate of China Electronics Technology and is regarded as a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2024 23rd Research Institute Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps under the 2024 23rd Research Institute Supply Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the 2024 23rd Research Institute Supply Framework Agreement are subject to reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the transactions contemplated under the 2024 23rd Research Institute Supply Framework Agreement and therefore none of the Directors is required to abstain from voting on the resolutions of the Board approving the 2024 23rd Research Institute Supply Framework Agreement and the transactions contemplated thereunder.

## DEFINITIONS

“Board”	board of Directors
“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
“independent third party(ies)”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“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
“2022 23rd Research Institute Supply Framework Agreement”	the agreement entered into between the Company and the 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 the 23rd Research Institute from time to time from 26 August 2022 to 31 December 2022
“2023 23rd Research Institute Supply Framework Agreement”	the agreement entered into between the Company and the 23rd Research Institute on 9 December 2022, pursuant to which the Company has agreed to purchase accessories, cables and cable joints for high and low frequency components from the 23rd Research Institute from time to time from 1 January 2023 to 31 December 2023
“2024 23rd Research Institute Supply Framework Agreement”	the agreement entered into between the Company and the 23rd Research Institute on 22 December 2023, pursuant to which the Company has agreed to purchase accessories, cables and cable joints for high and low frequency components from the 23rd Research Institute from time to time from 1 January 2024 to 31 December 2024

“23rd Research Institute”      The 23rd Research Institute of China Electronics  
Technology\* 中國電子科技集團公司第二十三研究所

“%”      per cent.

\* *For identification purposes only*

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

Chengdu, the PRC, 22 December 2023

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

**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