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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)

PROPOSED ABSORPTION OF AND MERGER WITH A WHOLLY OWNED SUBSIDIARY

The board (the “**Board**”) of directors (the “**Directors**”) of Chengdu SIWI Science and Technology Company Limited (formerly known as Chengdu PUTIAN Telecommunications Cable Company Limited) (the “**Company**”, together with its subsidiaries, the “**Group**”) held the eighteenth meeting of the tenth session of the Board on 26 August 2022. In accordance with the requirements of the “Notice on the Further Deepening of the Reduction Work of Central State-owned Enterprises” of the State-Owned Assets Supervision and Administration Commission of the State Council (“**SASAC**”), and in line with the Company's business development plan, to promote the development of the railway cable business in a professional development mode with unified management and integrated operation, the Board has resolved the Company’s proposed absorption of and merger with Chengdu Zhongling Wireless Communication Cable Co. Ltd* (成都中菱無線通信電纜有限公司) (“**Chengdu Zhongling**”), a wholly-owned subsidiary of the Company (the “**Absorption and Merger**”).

As at the date of this announcement, Chengdu Zhongling is owned as to 90% by the Company and 10% by Chengdu PUTIAN New Material Co., Ltd*(成都普天新材料有限公司) (“**Chengdu New Material**”). Chengdu New Material is a direct wholly-owned company by the Company. The Board has further resolved, prior to the commencement of the Absorption and Merger, the Company shall complete an internal reorganisation by transferring the 10% equity of Chengdu Zhongling owned by Chengdu New Material to the Company at nil consideration (“**Internal Transfer**”).

The Absorption and Merger and the Internal Transfer does not constitute a notifiable transaction or connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. However, according to the relevant requirements of the Company Law of the People’s Republic of China, the articles of association of the Company and the relevant laws and regulations, the Absorption and Merger is subject to the approval by the shareholders of the Company by way of special resolution at a general meeting and the relevant regulatory authorities.

The Board has resolved to convene the first extraordinary general meeting in 2022 (the “**EGM**”) to consider the Absorption and Merger.

I. BASIC INFORMATION OF THE PARTIES TO THE ABSORPTION AND MERGER

1. Merging party: the Company

Company Name:	Chengdu SIWI Science and Technology Company Limited (formerly known as Chengdu PUTIAN Telecommunications Cable Company Limited)
Unified social credit code:	9151010020193968XY
Type of company:	Joint stock company with limited liability
Registered capital:	RMB400,000,000
Legal representative:	Li Tao
Date of establishment:	1 October 1994
Term of business operation:	Unlimited duration
Registered address:	No. 18, Xinhang Road, the West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, the PRC
Business scope:	Wires and cables, optical fibers and optical cables, specialized materials used for cables, irradiation processing, cable accessories, specialized facilities and equipment and the equipment and facilities for various information industry products (excluding products restricted and prohibited by the State), devices and equipment technology research and development, product manufacturing, sales and services, electrical equipment technology development, transfer, consulting and related supporting services; Design and installation: city and road lighting construction, construction and renovation works for buildings, fire safety facilities construction, electromechanical equipment installation, electroweak system engineering for buildings in communities, computer network engineering and communication engineering and equipment (excluding contracted work for power facilities installation (repair & test)); Wholesale and retail: communications equipment (except radio transmitting equipment), lighting equipment, electrical equipment, instrumentation, electronic measuring instruments, electronic components, transmission, distribution and control equipment, hardware products and electronic products, plastic products, mineral products, building materials and chemical products (except dangerous chemicals products and precursor chemicals), daily necessities, commission agent (except by auction), import and export proprietary goods and similar commodities; and Self-owned real estate, machinery leasing, and property management. (Approvals from competent authorities shall be obtained for the operation of the activities requiring approval in accordance with the laws)

2. Merged party: Chengdu Zhongling

Company Name:	Chengdu Zhongling Wireless Communication Cable Co. Ltd.* (成都中菱無線通信電纜有限公司)
Unified social credit code:	91510100713023683B
Type of company:	Limited liability company
Registered capital:	RMB82,100,000
Legal representative:	Wang Yanwei
Date of establishment:	13 February 1999
Term of business operation:	Unlimited duration
Registered address:	No. 18, Xinhang Road, the West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, the PRC
Business scope:	Technological development, manufacturing of wires and cables, irradiation processing, copper processing, cable accessories, various types of cable and related accessories and components for usage in information communication system, sales of products manufactured by the Company, and provide relevant technical services. (The above scope of business does not include items that are restricted or prohibited by national laws and regulations, except for those involving the implementation of special management measures for access as stipulated by the state, and those involving permits to commence business activities with the relevant permits)
Financial Position:	Baker Tilly China Certified Public Accountants audited the financial statements of Chengdu Zhongling for the year ended 31 December, 2021 and the six months ended 30 June 2022 and issued an unqualified audit report (Tianzhi Yezi: [2022] No. 37421). For the year ended 31 December 2021, Chengdu Zhongling had total assets of RMB29,635,829.44, total liabilities of RMB34,260,274.60 and total owner's equity of RMB-4,624,445.16, and achieved operation revenue of RMB48,483,949.74 and net loss of RMB8,304,577.30.

For the six months ended 30 June 2022, Chengdu Zhongling had total assets of RMB31,158,210.32, total liabilities of RMB35,774,296.09 and total owner's equity of RMB-4,616,085.77 and achieved operation revenue of RMB25,609,752.90 and net profit of RMB8,359.39.

II. METHOD, SCOPE AND RELATED ARRANGEMENTS OF THE ABSORPTION AND MERGER

1. The Company proposes to merge all assets, liabilities, business and employees of Chengdu Zhongling by way of absorption and merger. Upon completion of the Absorption and Merger, all assets of Chengdu Zhongling, including but not limited to fixed assets, current assets, agreements, will be merged into the Company, all creditors' rights and liabilities of Chengdu Zhongling will be assumed by the Company, all employees of Chengdu Zhongling will be accepted and managed in accordance with the implementation of related plan and the status as an independent legal entity of Chengdu Zhongling will be cancelled.
2. The Absorption and Merger does not involve any change in the registered capital or shareholders of the Company.
3. The Company shall conduct an audit assessment based on the audited financial information of the Chengdu Zhongling as of 30 June 2022, the record date, to obtain information the valuation of Chengdu Zhongling. The Company shall adopt the book value of Chengdu Zhongling as of the date of signing the absorption and merger agreement to proceed with the Absorption and Merger.
4. The gains and losses incurred during the period from the record date to the completion date of the Absorption and Merger shall be enjoyed and borne by the Company.
5. Both parties to the Absorption and Merger shall prepare balance sheets and property lists, conduct corresponding audits and appraisals (if required), and fulfill the procedures of notifying creditors and publishing announcements in newspapers.
6. Both parties to the Absorption and Merger shall jointly go through the procedures for the approval of the securities regulatory authorities, the approval of the SASAC and the filing and appraisal (if required) in relation to the Absorption and Merger (if applicable).
7. All assets of Chengdu Zhongling will be delivered to the Company, and both parties to the Absorption and Merger will jointly go through the procedures of asset transfer and registration of change of ownership of relevant assets.

8. Once the Absorption and Merger is approved by the Board and at the EGM, both parties to the Absorption and Merger will sign an absorption and merger agreement and proceed with the deregistration procedures of Chengdu Zhongling and other relevant matters as soon as possible after having also obtained the approval of the SASAC (if required) and the securities regulatory authorities.

III. IMPACT OF THE ABSORPTION AND MERGER

1. Upon completion of the Absorption and Merger, it can further integrate resources, improve efficiency and reduce operation costs of the Group.
2. Following the Absorption and Merger, the Company's copper cable business (such as railway cables) will operate as a department as a whole, and the management and decision-making efficiency will be effectively enhanced, which is conducive to facilitating the overall development of the Group's copper cable business.
3. As Chengdu Zhongling is a wholly-owned subsidiary of the Company, the Absorption and Merger will not have a material impact on the current profit or loss in the Company's consolidated statements and will not have a significant impact on the assets and liabilities within the scope of the Company's consolidated statements.

The above Absorption and Merger is subject to the consideration and approval of the shareholders of the Company at the EGM and the approval of the relevant regulatory authorities. A circular containing, among other things, details of the Absorption and Merger, together with the notice of the EGM, will be despatched to the shareholders of the Company in due course.

* *For identification purposes only*

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