

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Potevio

中国普天

成都普天電纜股份有限公司

CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

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

(Stock Code: 1202)

PROFIT WARNING

This announcement is made by Chengdu PUTIAN Telecommunications Cable Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2019 (the “**Period**”) and information currently available to the Board, the Company is expected to record a net loss attributable to the owners of the Company of approximately RMB16.7 million during the Period as compared to a net profit attributable to the owners of the Company of approximately RMB7.2 million for the six months ended 30 June 2018 (the “**Corresponding Period of Last Year**”).

Based on the information currently available to the Board, such expected change from net profit attributable to the owners of the Company to net loss attributable to the owners of the Company was primarily attributable to the following factors:

- i. The Group was expected to record a decrease of approximately 19.7% in its operating revenue for the Period (i.e. approximately RMB247.6 million) as compared to that for the Corresponding Period of Last Year (i.e. approximately RMB308.4 million) due to the fact that the 4G construction and FTTX construction of the three major domestic operators are near completion, and the demand from the optical telecommunication market is at a low level, resulting in a decrease in sales;

- ii. The Group was expected to record substantial decreases in its gross profit and gross profit margin for the Period (i.e. approximately RMB11.4 million and 4.6% respectively) as compared to that for the Corresponding Period of Last Year (i.e. approximately RMB100.0 million and 32.4% respectively) respectively. Such decreases were mainly due to the production capacity expansion of domestic optical telecommunication manufacturer, resulting in a serious imbalance between supply and demand as well as a decline in product prices; and
- iii. The Group was expected to record a loss on investment for the Period (i.e. approximately RMB5.4 million), representing a decrease of approximately RMB8.4 million as compared to a gain of approximately RMB3.0 million for the Corresponding Period of Last Year. This is mainly due to the low demand and oversupply in the optical telecommunications market, resulting in a significant decline in performance of Putian Fasten Cable Telecommunications Company Limited (an associate of the Group).

The decreases mentioned above were partially offset by the substantial decrease in selling expenses and the change of income tax expense during the Period.

The information contained in this announcement is based on a preliminary assessment made by the Board after considering the information currently available (i.e. the Group's unaudited management accounts for the Period) and is not based on any financial data or information that has been audited by the auditors or reviewed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement for the Period, which is expected to be published by the end of August 2019.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By the order of the Board
Chengdu PUTIAN Telecommunications Cable Company Limited
Wu Changlin
Chairman

Chengdu, the PRC, 12 August 2019

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

Executive Directors: *Mr. Wu Changlin (Chairman), Mr. Hu Jiangbing (Vice Chairman), Mr. Han Shu, Mr. Wang Micheng, Ms. Xu Liying and Ms. Liu Yun*

Independent non-executive Directors: *Ms. Mao Yaping, Mr. Xiao Xiaozhou and Mr. Feng Gang*