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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO**

- (I) THE POTEVIO FRAMEWORK SALES AGREEMENT;
(II) THE SUMITOMO FRAMEWORK PURCHASE AGREEMENT; AND
(III) THE FASTEN MASTER FRAMEWORK AGREEMENT**

CONTINUING CONNECTED TRANSACTIONS

On 25 September 2015, the Company entered into the Potevio Framework Sales Agreement for a term of three years commencing from 1 January 2015, in respect of the sale of certain wire, cables, optical fibers, telecommunication components and parts, from the Group to Potevio Group.

On the same day, the Company also entered into the Sumitomo Framework Purchase Agreement for a term of three years commencing from 1 January 2015, in respect of the purchase of optical fiber preform and paints by the Group from Sumitomo Electric Group.

On the same day, the Group also entered into the Fasten Master Framework Agreement for a term of three years commencing from 1 January 2015, in respect of (i) the purchases of optical fiber preform, wooden drums, wires and equipment from Fasten Group; (ii) the sales of optical fiber and optical cable to Fasten Group; and (iii) the leases with Fasten Group.

LISTING RULES IMPLICATIONS

China Potevio and Potevio Group are connected persons of the Group and transactions between the Group and each of China Potevio and Potevio Group constitute connected transactions of the Company. The Continuing Connected Transactions with Potevio Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Listing Rules.

* For identification purposes only

As Sumitomo Electric is a substantial shareholder of a non-wholly owned subsidiary of the Group, Sumitomo Electric is a connected person of the Group at subsidiary level under the Listing Rules.

As Fasten Co., Ltd. and Fasten Company are substantial shareholders of Putian Fasten JV, which is considered to be a non wholly-owned subsidiary of the Company, Fasten Co., Ltd. and Fasten Company are connected persons of the Group at subsidiary level under the Listing Rules. As Jiangsu Fasten Hongsheng Group Co., Ltd. holds 100% equity interest in Fasten Co., Ltd., the Fasten Group is therefore a connected person of the Group at subsidiary level under the Listing Rules.

As the Directors have approved the Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group and the independent non-executive Directors have confirmed that the terms of such transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Sumitomo Framework Purchase Agreement and Fasten Master Framework Agreement and their relevant annual cap are only subject to the reporting and announcement requirements but exempted from independent shareholders' approval, pursuant to Rule 14A.101 of the Listing Rules. As a result, the Independent Shareholders may only need to approve the Continuing Connected Transactions with Potevio Group at the proposed upcoming EGM.

GENERAL

An Independent Board Committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders as to whether the Continuing Connected Transactions are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser will be appointed in due course to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Continuing Connected Transactions with Potevio Group in accordance with the Listing Rules.

A circular containing, among other things, (i) the information relating to the Continuing Connected Transactions with Potevio Group; (ii) the advice from the Independent Board Committee to the Independent Shareholders in respect of the Continuing Connected Transactions with Potevio Group; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee in respect of the Continuing Connected Transactions with Potevio Group; and (iv) a notice of the EGM to be convened for the Independent Shareholders, to approve the transactions contemplated under the Continuing Connected Transactions with Potevio Group, is expected to be despatched to the Shareholders as soon as practicable.

INTRODUCTION

On 25 September 2015, the Company entered into the Potevio Framework Sales Agreement for a term of three years commencing from 1 January 2015, in respect of the sale of certain wire, cables, optical fibers, telecommunication components and parts, from the Group to Potevio Group.

On the same day, the Company also entered into the Sumitomo Framework Purchase Agreement for a term of three years commencing from 1 January 2015, in respect of the purchase of optical fiber preform and paints by the Group from Sumitomo Electric Group.

On the same day, the Group also entered into the Fasten Master Framework Agreement for a term of three years commencing from 1 January 2015, in respect of (i) the purchases of optical fiber preform, wooden drums, wires and equipment from Fasten Group; (ii) the sales of optical fiber and optical cable to Fasten Group; and (iii) the leases with Fasten Group.

POTEVIO FRAMEWORK SALES AGREEMENT

The principal terms of the Potevio Framework Sales Agreement are as follows:

Date	:	25 September 2015
Parties	:	The Company and 中國普天信息產業集團公司 (China PUTIAN Corporation*)
Subject matter	:	The Group shall supply wire, cables, optical fibers, telecommunication components and parts to Potevio Group based on the requirements and demands of Potevio Group from time to time during the tenure of the Potevio Framework Sales Agreement
Tenure	:	1 January 2015 to 31 December 2017

Pricing basis and payment terms

The transactions under the Potevio Framework Sales Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and such terms and conditions shall be negotiated on an arm's length basis and will be no less favorable than those available from independent third parties of the Group.

The selling prices of the wire, cables, optical fibers, telecommunication components and parts sold by the Group to the Potevio Group are not fixed and to be determined in accordance with prevailing market prices that is comparable to the price offered by the Group to its other independent customers with similar transaction volume and to be agreed between the parties. To ensure the selling price and payment terms are not less favourable than the market standard, the Group will generally compare the average selling price of its products sold, the relevant payment terms offered to Potevio Group and the independent third parties of the Group or at least three relevant quotations obtained in the market on a

monthly basis. The Group will review the selling price and payment terms offered of every transaction with Potevio Group to ensure all transactions with Potevio Group will comply with the terms of the Potevio Framework Sale Agreement.

Annual caps and basis of determination

The table below sets out the historical amounts and the proposed annual caps under the Potevio Framework Sales Agreement:

	Historical amounts for the years ended 31 December <i>(in RMB million)</i>			Proposed annual caps for the years ended 31 December <i>(in RMB million)</i>		
	2012	2013	2014	2015	2016	2017
	1. Sales of optical fiber, optical cable and ancillary products	10.7	50.2	51.9	150.0	149.5

The proposed annual caps of the transaction contemplated thereunder the Potevio Framework Sales Agreement have been worked out with reference to the following factors:

- (i) the historical amount of relevant transaction with the Potevio Group from the year ended 31 December 2012 to 2014;
- (ii) the expected need of the Potevio Group for optical fiber, optical cable and ancillary products from the Group will increase significantly due to the promotion of domestic optical communication services supported by the PRC Government;
- (iii) the forecast production volume for optical fiber, optical cable and ancillary products of the Group will increase significantly due to its new production bases which commenced its operations in 2014; and
- (iv) the forecast average market price of optical fiber, optical cable and ancillary products for the remaining period of 2015 and the years of 2016 and 2017 will remain stable.

Reasons for and the Benefit of the Potevio Framework Sales Agreement

Potevio Group is a central stated-owned enterprise in the PRC comprising multiple subsidiaries and associates which service regional major telecommunications operators by supplying a full suite of fixed and mobile communication products and services. As a result, the subsidiaries and associates of Potevio Group have built a good working relationship with the regional telecommunications operators over the years. Therefore, by supplying the Group's products to Potevio Group, the Group is capable of selling its products to customers whom they would otherwise have difficulty in accessing directly due to the high requirements to become eligible to submit tenders for large scale supplying contracts. The Group can also enhance the image of its products by expanding its customer base to include major telecommunications operators.

SUMITOMO FRAMEWORK PURCHASE AGREEMENT

The principal terms of the Sumitomo Framework Purchase Agreement are as follows:

Date	:	25 September 2015
Parties	:	The Company and Sumitomo Electric
Subject matter	:	The Group shall purchase optical fiber preform and paints from Sumitomo Electric Group from time to time during the tenure of the Sumitomo Framework Purchase Agreement
Tenure	:	1 January 2015 to 31 December 2017

Pricing basis and payment terms

The transactions under the Sumitomo Framework Purchase Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and such terms and conditions shall be negotiated on an arm's length basis and will be no less favorable than those available from independent third parties of the Group.

The selling prices of the optical fiber preform and paints sold by Sumitomo Electric Group to the Group are not fixed and to be determined in accordance with prevailing market prices that is comparable to the price offered to the Group by its other independent customers and to be agreed between the parties. To ensure the selling prices and payment terms are not less favourable than the market standard, the Group will generally monitor the average market selling price of the relevant optical fiber preform and paints and payment terms offered to the Group by its independent third parties, and relevant quotations obtained in the market on a monthly basis. The Group will review the selling price and payment terms offered in every transaction with Sumitomo Electric Group to ensure all transactions with Sumitomo Electric Group will comply with the terms of the Sumitomo Framework Purchase Agreement.

Annual caps and basis of determination

The table below sets out the historical amounts and the proposed annual caps under the Sumitomo Framework Purchase Agreement:

	Historical amounts for the years ended 31 December <i>(in RMB million)</i>			Proposed annual caps for the years ended 31 December <i>(in RMB million)</i>		
	2012	2013	2014	2015	2016	2017
1. Purchase of optical fiber preform and paints	79.1	91.9	152.0	57.7	106.6	106.6

The proposed annual caps of the transactions contemplated thereunder the Sumitomo Framework Purchase Agreement have been worked out with reference to the following factors:

- (i) the historical amount of relevant transaction with Sumitomo Electric Group from the year ended 31 December 2012 to 2014;

- (ii) the forecast need of the Group for optical fiber preform and paints from Sumitomo Electric Group will remain stable;
- (iii) the decreasing demand of optical fiber preform and paints due to the significant increase in purchase of optical fiber preform from Sumitomo Electric Group in 2014 having considered the possibility of price increase of optical fiber preform from Sumitomo Electric Group in 2015 as a result of national policy; and
- (iv) the forecast average market price of optical fiber preform and paint for the remaining period of 2015 and the years of 2016 and 2017 will remain stable.

Reasons for and the Benefit of the Sumitomo Framework Purchase Agreement

The Sumitomo Electric Group is a global conglomerate involved in various industries including automotive, infocommunications, electronics, environmental and energy, and industrial materials. As the Sumitomo Electric Group is one of the leaders in producing optical fiber preform in Japan, the Company has been purchasing optical fiber preform and paints from Sumitomo Electric Group to manufacture its optical fibers to ensure the finished products are of high standards. Furthermore, as the demand of optical fiber preform in the PRC is higher than the supply, the purchase of optical fiber preform and paints from Sumitomo Electric Group can ensure stable supply of optical fiber preform and paints to the Group.

FASTEN MASTER FRAMEWORK AGREEMENT

The principal terms of the Fasten Master Framework Agreement are as follows:

- Date : 25 September 2015
- Parties : The Company and 江蘇法爾勝泓升集團有限公司 (Jiangsu Fasten Hongsheng Group Co., Ltd.*)
- Subject matter : The Group shall (i) purchase of optical fiber preform, wooden drums, wires and equipment from Fasten Group; (ii) sell optical fiber and optical cable to Fasten Group; and (iii) leases of manufacturing facility and machinery, patent and property with Fasten Group, from time to time during the tenure of the Fasten Master Framework Agreement
- Tenure : 1 January 2015 to 31 December 2017

Pricing basis and payment terms

The transactions under the Fasten Master Framework Agreement will be conducted in ordinary and usual course of business and on normal commercial terms and such terms and conditions shall be negotiated on an arm's length basis and will be no less favorable than those available from independent third parties of the Group.

The selling prices of the optical fiber preform, wooden drums, wires and equipment to be purchased by the Group and optical fiber and optical cable to be purchased by Fasten Group are not fixed and to be determined in accordance with prevailing market prices that is comparable to the price offered to the Group by its other independent customers and to be agreed between the parties. To ensure the selling prices and payment terms are not less favourable than the existing market standard, the Group will generally monitor the average market selling price of the relevant products and payment terms of the transactions between the Group and its independent third parties, and the relevant quotations obtained in the market on a monthly basis. The Group will review the selling price and payment terms offered of every transactions with Fasten Group to ensure all transactions with Fasten Group will comply with the terms of the Fasten Master Framework Agreement.

Meanwhile, leases of property with Fasten Group is determined by comparing property lease prices in the area of the factory with monthly payment for the leases. The licensing fee for use of patents with Fasten Group is a fixed amount with an annual payment. In accessing the licensing fee, the Group will consider (i) the economic benefit to the Group by leasing the patent; (ii) the fees of similar patents from oversea licensors; and (iii) the expected usage of the patents of the Group.

Annual caps and basis of determination

	Historical amounts for the years ended 31 December <i>(in RMB million)</i>			Proposed annual caps for the years ended 31 December <i>(in RMB million)</i>		
	2012	2013	2014	2015	2016	2017
	1. Purchases of optical fiber preform, wooden drums, wires and equipment	—	140.8	107.4	123.0	141.5
2. Sales of optical fiber and optical cable	—	51.4	53.9	64.4	74.1	85.2
3. Leases of manufacturing facility and machinery, patent and property with the Fasten Group	—	29.0	29.0	31.5	31.5	31.5

The proposed annual caps of the transactions contemplated thereunder the Fasten Master Framework Agreement have been worked out with reference to the following factors:

- (i) the historical amount of relevant transactions with Fasten Group from the year ended 31 December 2012 to 2014;
- (ii) the expected need of Fasten Group for optical fiber and optical cable from the Group will increase based on the historical and expected industry growth;
- (iii) the forecast need of the Group for optical fiber preform wooden drums, wires and equipment from Fasten Group will increase based on the expected increase in need for optical fiber and optical cable from Fasten Group;
- (iv) the forecast average market price of relevant products to be sold or purchased with Fasten Group for the remaining period of 2015 and the years of 2016 and 2017 will remain stable;

- (v) the expected need of the leasing of manufacturing facility and machinery from Fasten Group will remain stable; and
- (vi) the expected lease prices of the manufacturing facility and machinery, patent and property from Fasten Group will remain stable.

Reasons for and the Benefit of the Fasten Master Framework Agreement

The Fasten Group is a major manufacturer of optical fiber preform. By entering into the Fasten Master Framework Agreement, the Company can ensure a stable supply of optical fiber preform to Putian Fasten JV, which is beneficial to Putian Fasten JV under a tight market. The Fasten Group also has extensive distribution channels for optical fiber, of which the Group can take advantage to market its products, leading to significant sales to the Fasten Group. In addition, the Group leases a manufacturing facility and machinery from the Fasten Group for the manufacturing of optical fiber and a property belonging to Fasten Group to be used as office. Aside from machinery and property, the Group also pays licensing fees to Fasten Group for the use of their patents. The patents include two invention patents granted in the PRC relating to optical fiber preforms. The Group considered the leases of manufacturing facility, machinery and patents with Fasten Group would allow the Group to ensure the quality of its optical fiber products by controlling the manufacturing process and to bring economic benefits to the Group.

LISTING RULES IMPLICATIONS

China PUTIAN Corporation (中國普天信息產業集團公司) is the controlling shareholder of China Potevio, who in turn is the controlling shareholder of the Company, holding 60% equity interest in the Company. Therefore, China Potevio and Potevio Group are connected persons of the Group and transactions between the Group and each of China Potevio and Potevio Group constitute connected transactions of the Company. The Continuing Connected Transactions with Potevio Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Listing Rules.

Sumitomo Electric is a substantial shareholder of SEI Optical, a joint venture between the Company and Sumitomo Electric since 1998 and a non-wholly owned subsidiary, whereby Sumitomo Electric holds 40% equity interest in SEI Optical while the Group controls the remaining 60% equity interest. As Sumitomo Electric is a substantial shareholder of a non-wholly owned subsidiary of the Group, Sumitomo Electric is a connected person of the Group at subsidiary level under the Listing Rules. The Continuing Connected Transactions with Sumitomo Electric Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Listing Rules.

Fasten Co., Ltd. and Fasten Company each holds approximately 24.8% and 19% equity interest in Putian Fasten JV. Although the Company holds approximately 45% equity interest in Putian Fasten JV, the financial results of Putian Fasten JV are consolidated into the Group in 2013. Therefore, Putian Fasten JV is considered as a non-wholly owned subsidiary of the Company. As Fasten Co., Ltd. and Fasten Company are substantial shareholders of Putian Fasten JV, Fasten Co., Ltd. and Fasten Company are connected persons of the Group at subsidiary level under the Listing Rules. As Jiangsu Fasten

Hongsheng Group Co., Ltd. holds 100% equity interest in Fasten Co., Ltd., the Fasten Group is therefore a connected person of the Group at subsidiary level under the Listing Rules. The Continuing Connected Transactions with Fasten Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if (i) the listed issuer's board of directors have approved the transactions; and (ii) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole. As the Directors have approved the Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group and the independent non-executive Directors have confirmed that the terms of such transactions are in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Sumitomo Framework Purchase Agreement and Fasten Master Framework Agreement and their relevant annual cap are only subject to the reporting and announcement requirements but exempted from independent shareholders' approval. As a result, the Independent Shareholders may only need to approve the Continuing Connected Transactions with Potevio Group at the proposed upcoming EGM.

Due to conflict of interests, Mr. Zhang Xiaocheng who is a director of subsidiaries in Potevio Group, namely Eastern Communications Co., Ltd. (東方通信股份有限公司) and Shanghai Potevio Co., Ltd. (上海普天郵通科技股份有限公司), Mr. Wang Micheng who is a director of subsidiaries in Potevio Group, namely Hangzhou HONYAR Electrical Co., Ltd. (杭州鴻雁電器有限公司) and Putian Intelligent Lighting Research Institute Co., Ltd. (普天智能照明研究院有限公司), Mr. Cong Huisheng who is a director of subsidiaries in Potevio Group, namely Shanghai Putian Kechuang Electronics Co., Ltd. (上海普天科創電子有限公司) and Shanghai Potevio Co., Ltd. (上海普天郵通科技股份有限公司), and Mr. Chen Ruowei and Mr. Du Xinhua, who are the directors of a subsidiary in Potevio Group, namely Wuhan PUTIAN Power Co., Ltd. (武漢普天電源有限公司) have abstained from voting on the Board resolution approving the Continuing Connected Transactions with Potevio Group. Save as disclosed above, no other Director has abstained from voting on the Board resolution approving the Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group and the Board has resolved to approve the Continuing Connected Transactions.

The independent non-executive Directors came to agree with the views expressed by the Board that the Continuing Connected Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in the manufacture and sale of various types of telecommunication cables, optical fibers and cable joining sleeves.

China Potevio and China PUTIAN Corporation are central state-owned enterprises primarily engaged in the manufacture, trading and research and services in relevant technology of information telecommunication products; the scope of business includes information communications, photoelectricity, industrial information, e-finance and new energy property bases.

Sumitomo Electric and its subsidiaries undertake product development, manufacturing and marketing, as well as service provision in the five business divisions, namely automotive, infocommunications, electronics, environment and energy, and industrial materials.

The Fasten Company is primarily engaged in the manufacture and sale of metal products and a small volume of optical communication business.

The Fasten Group is primarily engaged in the manufacture of metal products. It is a conglomerate with diversified production and operation businesses involving optical communication, new material and modern services.

An Independent Board Committee (comprising all three independent non-executive Directors) has been established to advise the Independent Shareholders as to whether the Continuing Connected Transactions are in the ordinary and usual course of business of the Group on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser will be appointed in due course to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Continuing Connected Transactions with Potevio Group in accordance with the Listing Rules.

A circular containing, among other things, (i) the information relating to the Continuing Connected Transactions with Potevio Group, (ii) the advice from the Independent Board Committee to the Independent Shareholders in respect of the Continuing Connected Transactions with Potevio Group, (iii) the letter of advice from an independent financial adviser to the Independent Board Committee in respect of the Continuing Connected Transactions with Potevio Group, and (iv) a notice of the EGM to be convened for the Independent Shareholders, to approve the transactions contemplated under the Continuing Connected Transactions with Potevio Group, is expected to be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“associate(s)”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Potevio”	中國普天信息產業股份有限公司 (China Potevio Company Limited*), a company incorporated in the PRC with limited liability and the controlling shareholder of the Company, is a central state-owned enterprise and a wholly-owned subsidiary of 中國普天信息產業集團公司(China PUTIAN Corporation)
“Company”	成都普天電纜股份有限公司 (Chengdu PUTIAN Telecommunications Cable Company Limited*), 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 meanings ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions of the Group that occurred with Potevio Group, Sumitomo Electric Group and Fasten Group pursuant to the Potevio Framework Sales Agreement, Sumitomo Framework Purchase Agreement and Fasten Master Framework Agreement, respectively
“controlling shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares of the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among other things, the Continuing Connected Transactions occurred with Potevio Group under the Potevio Framework Sales Agreement
“Fasten Co., Ltd.”	法爾勝集團有限公司 (Fasten Group Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Jiangsu Fasten Hongsheng Group Co., Ltd. (江蘇法爾勝泓升集團有限公司)

“Fasten Company”	江蘇法爾勝股份有限公司 (Jiangsu Fasten Company Limited*), a company incorporated in the PRC with limited liability and a subsidiary of Jiangsu Fasten Hongsheng Group Co. Ltd., whose shares are listed on the Shenzhen Stock Exchange (stock code: 00890). It is held approximately as to 21.07% by Jiangsu Fasten Hongsheng Group Co., Ltd. (江蘇法爾勝泓升集團有限公司) and is primarily engaged in the manufacture and sale of metal products and a small volume of optical communication business
“Fasten Group”	江蘇法爾勝泓升集團有限公司 (Jiangsu Fasten Hongsheng Group Co., Ltd.*), a company incorporated in the PRC with limited liability, and its subsidiaries
“Fasten Master Framework Agreement”	the agreement entered into between the Company and 江蘇法爾勝泓升集團有限公司 (Jiangsu Fasten Hongsheng Group Co., Ltd.*) on 25 September 2015, pursuant to which the Company has agreed to (i) purchases of optical fiber preform, wooden drums, wires and equipment from Fasten Group, (ii) sales of optical fiber and optical cable to Fasten Group, (iii) leases with Fasten Group, (iv) loans to Fasten Group from time to time from 1 January 2015 to 31 December 2017
“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 Board Committee”	an independent committee of the Board comprising Mr. Choy Sze Chung, Jojo, Mr. Li Yuanpeng and Mr. Xiao Xiaozhou (being all independent non-executive Directors) to advise the Independent Shareholders in respect of the Continuing Connected Transactions, and the transactions contemplated thereunder
“Independent Shareholders”	any Shareholders, other than those Shareholders, if any, with a material interest in the Continuing Connected Transactions
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“Potevio Framework Sales Agreement”	the agreement entered into between the Company and 中國普天信息產業集團公司 (China PUTIAN Corporation*) on 25 September 2015, pursuant to which the Company has agreed to supply wire, cables, optical fibers, telecommunication components and parts to the Potevio Group based on the requirements and demands of the Potevio Group from time to time from 1 January 2015 to 31 December 2017
“Potevio Group”	中國普天信息產業集團公司 (China PUTIAN Corporation*) and its subsidiaries but excluding the Group
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Putian Fasten JV”	普天法爾勝光通信有限公司 (Putian Fasten Cable Telecommunication Co. Ltd.*), a joint venture company established as a limited liability company in the PRC and primarily engaged in the manufacturing of optical fiber, optical cable and related products
“RMB”	Renminbi, the lawful currency of the PRC
“SEI Optical”	成都中住光纖有限公司 (Chengdu SEI Optical Fiber Co., Ltd.*), a joint venture company established as a limited liability company in the PRC between the Company and Sumitomo Electric with equity interest of 60% and 40%, respectively
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“Sumitomo Electric”	Sumitomo Electric Industries, Ltd., a limited liability company incorporated in Japan whose shares are listed on the Tokyo Stock Exchange (Stock code: 5802)
“Sumitomo Electric Group”	Sumitomo Electric and its subsidiaries

“Sumitomo Framework
Purchase Agreement”

the agreement entered into between the Company and Sumitomo Electric on 25 September 2015, pursuant to which the Company has agreed to purchase optical fiber preform and paints from Sumitomo Electric Group from time to time from 1 January 2015 to 31 December 2017

“%”

per cent.

By order of the Board
Chengdu Putian Telecommunications Cable Company Limited*
Zhang Xiaocheng
Chairman

Chengdu, the PRC, 25 September 2015

As at the date of this announcement, the executive Directors are Mr. Zhang Xiaocheng, Mr. Wang Micheng, Mr. Cong Huisheng, Mr. Chen Ruowei, Mr. Du Xinhua and Mr. Fan Xu; the independent non-executive Directors are Mr. Choy Sze Chung, Jojo, Mr. Li Yuanpeng and Mr. Xiao Xiaozhou.

* *For identification purposes only*