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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)

2016 INTERIM RESULTS ANNOUNCEMENT

SUMMARY

- The Group recorded a turnover of RMB614,928,334.30 for the six months ended 30 June 2016 (the “Period”), representing an increase of approximately 5.19% as compared to the corresponding period last year.
- During the Period, sales of copper cables, optical cables, optical fibres and related products amounted to RMB597,319,980.12, representing an increase of approximately 2.65% as compared to the corresponding period last year. Sales of optical fibres by Chengdu SEI Optical Fiber Co., Ltd., a principal subsidiary of the Company, amounted to RMB119,449,782.69, representing an increase of approximately 38% as compared to the corresponding period last year. Sales of wire feed cables and other products by Chengdu Zhongling Radio Communications Co., Ltd. amounted to RMB17,969,211.91, representing an increase of approximately 20.62% as compared to the corresponding period last year. Sales of optical fibres and optical cables by Putian Fasten Cable Telecommunication Co., Ltd. amounted to RMB369,614,043.94, representing an increase of approximately 10.47% as compared to the corresponding period last year.
- During the Period, loss attributable to the shareholders was RMB12,722,761.20, as compared to a loss of RMB13,221,741.67 recorded for the corresponding period last year. Profit attributable to minority shareholders was RMB6,418,896.14, as compared to a loss of RMB3,569,357.01 for the corresponding period last year.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016.

* For identification purposes only

The board of directors (the “Board”) of Chengdu PUTIAN Telecommunications Cable Company Limited* (the “Company”) announced the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2016 (the “Period”) are set out as follows:

CONSOLIDATED BALANCE SHEET — UNAUDITED

as at 30 June 2016

PREPARED BY: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

Monetary unit: RMB Yuan

Assets	Note	Closing balance of period	Opening balance of period
Current assets:			
Cash and bank balances		352,691,123.39	336,464,641.98
Settlement funds			
Loans to other banks			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	<i>III.1</i>	96,723,379.55	101,785,217.79
Accounts receivable	<i>III.2</i>	429,615,050.42	410,168,670.66
Advances paid		19,987,706.72	15,605,190.57
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Interest receivable		1,800,000.00	
Dividend receivable			
Other receivables		108,546,209.29	93,714,927.86
Reverse-REPO financial assets			
Inventories		260,946,038.74	196,826,743.18
Assets classified as held-for-sale			
Non-current assets due within one year			
Other current assets		16,250,015.46	16,393,322.70
Total current assets		<u>1,286,559,523.57</u>	<u>1,170,958,714.74</u>

Assets	<i>Note</i>	Closing balance of period	Opening balance of period
Non-current assets:			
Loans and advances paid			
Available-for-sale financial assets		6,671,889.00	8,764,734.00
Held-to-maturity investments			
Long-term receivable			
Long-term equity investments		5,797,031.72	5,653,653.92
Investment property		18,989,407.86	19,815,080.14
Fixed assets		486,504,976.77	510,766,274.09
Construction in progress		21,779,452.40	8,824,072.57
Construction materials			
Fixed assets disposal			
Biological assets			
Oil & gas assets			
Intangible assets		115,118,280.83	113,421,706.44
Development expenditures			
Goodwill		21,985,780.47	21,985,780.47
Long-term prepayments		15,390,929.09	16,695,564.61
Deferred tax assets		16,123,180.07	16,819,344.28
Other non-current assets			
		<hr/>	<hr/>
Total non-current assets		708,360,928.21	722,746,210.52
		<hr/>	<hr/>
Total assets		1,994,920,451.78	1,893,704,925.26
		<hr/> <hr/>	<hr/> <hr/>

Liabilities & Shareholders' Equity	<i>Note</i>	Closing balance of period	Opening balance of period
Current liabilities:			
Short-term borrowings		200,000,000.00	200,000,000.00
Central bank loans			
Absorbing deposit and interbank deposit			
Loans from other banks			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable		36,600,000.00	39,603,546.89
Accounts payable	<i>III.3</i>	271,732,741.19	207,755,202.78
Advances received		37,763,489.14	17,387,434.92
Proceeds from sale of repurchase financial assets			
Handling fee and commission payable			
Employee benefits payable		43,538,046.70	30,131,394.99
Taxes and rates payable		9,060,750.94	7,581,760.64
Interest payable			
Dividend payable		4,400,000.00	
Other payables		24,571,580.30	21,154,408.59
Reinsurance accounts payable			
Provision for insurance contracts			
Deposit for agency security transaction			
Deposit for agency security underwriting			
Liabilities classified as held-for-sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		<u>627,666,608.27</u>	<u>523,613,748.81</u>
Non-current liabilities:			
Long-term borrowings		7,666,853.90	7,518,503.53
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Long-term payables			
Long-term staff remuneration payables			
Special payables			
Provisions			
Deferred income		68,580,742.08	70,435,682.28
Deferred tax liabilities		9,889,666.82	10,537,626.62
Other non-current liabilities			
Total non-current liabilities		<u>86,137,262.80</u>	<u>88,491,812.43</u>
Total liabilities		<u>713,803,871.07</u>	<u>612,105,561.24</u>

Liabilities & Shareholders' Equity	<i>Note</i>	Closing balance of period	Opening balance of period
Shareholders' equity:			
Share capital		400,000,000.00	400,000,000.00
Other equity			
Including: Preference shares			
Perpetual bonds			
Capital reserve		651,400,779.83	651,400,779.83
Less: treasury shares			
Other comprehensive income		5,066,592.19	6,845,510.44
Special reserve			
Surplus reserve		8,726,923.61	8,726,923.61
General risk reserve			
Undistributed profit		-148,793,730.31	-136,070,969.11
Total equity attributable to the parent company		916,400,565.32	930,902,244.77
Non-controlling interest		364,716,015.39	350,697,119.25
		<hr/>	<hr/>
Total equity		1,281,116,580.71	1,281,599,364.02
		<hr/>	<hr/>
Total liabilities & shareholders' equity		1,994,920,451.78	1,893,704,925.26
		<hr/>	<hr/>

CONSOLIDATED INCOME STATEMENT — UNAUDITED*for the six months ended 30 June 2016**PREPARED BY: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED**Monetary unit: RMB Yuan*

Items	<i>Note</i>	Current period	Prior period
I. Total operating revenue		614,928,334.30	584,562,784.95
Including: operating revenue	<i>III.4</i>	614,928,334.30	584,562,784.95
Interest proceeds			
Premium earned			
Revenue from handling charges and commission			
II. Total operating cost		620,139,786.61	605,315,177.47
Including: operating cost	<i>III.4</i>	505,750,260.75	527,706,576.41
Interest expenses			
Handling charges and commission expenditures			
Surrender value			
Net payment of insurance claims			
Net provision of insurance reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes & surcharge for operations	<i>III.5</i>	3,231,865.82	2,761,428.12
Selling expenses		30,030,196.36	23,107,159.71
Administrative expenses		77,769,553.71	48,111,841.73
Financial expenses	<i>III.6</i>	1,727,742.63	3,026,206.93
Assets impairment loss		1,630,167.34	601,964.57
Add: gains on changes of fair value (loss, expressed in negative figure)			
Investment income (loss, expressed in negative figure)		143,377.80	246,472.62
Including: investment income from associates and joint ventures		143,377.80	136,472.64
Gains on foreign exchange (loss, expressed in negative figure)			
III. Operating profit (loss, expressed in negative figure)		-5,068,074.51	-20,505,919.90
Add: Non-operating revenue		5,950,119.60	3,678,026.99
Including: Gains on disposal of non-current assets		3,918,592.28	40,098.89
Less: Non-operating expenditures		124,595.84	1,581.88
Including: losses on disposal of non-current assets		43,794.28	238.46

Items	Note	Current period	Prior period
IV. Total profit (total loss, expressed in negative figure)		757,449.25	-16,829,474.79
Less: income tax expense	III.7	7,061,314.31	-38,376.11
V. Net profit (net loss, expressed in negative figure)		-6,303,865.06	-16,791,098.68
Net profit attributable to owners of parent company		-12,722,761.20	-13,221,741.67
Non-controlling interest income		6,418,896.14	-3,569,357.01
VI. Net other comprehensive income after tax		-1,778,918.25	2,520,491.40
Net other comprehensive income after tax attributable to owners of the parent company	III.8	-1,778,918.25	2,520,491.40
(I) Not reclassified subsequently to profit or loss			
1. Changes in remeasurement on the net defined benefit liability/asset			
2. Items attributable to investees under equity method that will not reclassified to profit or loss			
(II) To be reclassified subsequently to profit or loss		-1,778,918.25	2,520,491.40
1. Items attributable to investees under equity method that may be reclassified to profit or loss			
2. Profit or loss from changes in fair value of available-for-sale financial assets		-1,778,918.25	2,520,491.40
3. Profit or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
4. Profit or loss on cash flow hedging			
5. Translation difference of financial statements in foreign currencies			
6. Others			
Net other comprehensive income after tax attributable to non-controlling interest			
VII. Total comprehensive income		-8,082,783.31	-14,270,607.28
Items attributable to owners of parent company		-14,501,679.45	-10,701,250.27
Items attributable to non-controlling interest		6,418,896.14	-3,569,357.01
VIII. Earnings per share (“EPS”):	III.9		
(I) Basic EPS (RMB/share)		-0.03	-0.03
(II) Diluted EPS (RMB/share)		-0.03	-0.03

CONSOLIDATED CASH FLOW STATEMENT — UNAUDITED

for the six months ended 30 June 2016

PREPARED BY: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

Monetary unit: RMB Yuan

Items	Note	Current period	Prior period
I. Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		567,498,235.97	428,392,320.12
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts of original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Net increase of trading financial assets disposal			
Cash receipts from interest, handling charges and commission			
Net increase of loans from others			
Net increase of repurchase			
Receipts of tax refund			
Other cash receipts related to operating activities		51,482,480.81	15,504,586.39
Subtotal of cash inflows from operating activities		618,980,716.78	443,896,906.51
Cash payments for goods purchased and services received		413,719,261.26	397,442,025.57
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payment of insurance indemnities of original insurance contracts			
Cash payment of interest, handling charges and commission			
Cash payment of policy bonus			
Cash paid to and on behalf of employees		73,323,741.72	62,814,265.18
Cash payments of taxes and rates		28,635,081.09	17,263,529.03
Other cash payments related to operating activities		65,548,115.32	38,048,676.55
Subtotal cash outflows from operating activities		581,226,199.39	515,568,496.33
Net cash flows from operating activities		37,754,517.39	-71,671,589.82
II. Cash flows from investing activities:			
Cash received from return of investments			
Cash received from return on investments			
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		3,961,854.64	50,200.00
Net cash received from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities			50,000,000.00
Subtotal of cash inflows from investing activities		3,961,854.64	50,050,200.00

Items	Note	Current period	Prior period
Cash paid for acquiring fixed assets, intangible assets and other long-term assets		27,364,881.21	5,603,604.67
Cash paid for acquiring investments			
Net increase of pledged loans			
Net cash paid for acquiring subsidiaries & other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities		<u>27,364,881.21</u>	<u>5,603,604.67</u>
Net cash flows from investing activities		<u>-23,403,026.57</u>	<u>44,446,595.33</u>
III. Cash flows from financing activities:			
Cash received from investment by others		8,611,800.00	
Including: cash received by subsidiaries from non-controlling owners			
Cash received from borrowings		102,000,000.00	80,000,000.00
Cash received from issuing of bonds			
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		<u>110,611,800.00</u>	<u>80,000,000.00</u>
Cash repayments of borrowings		102,147,202.58	80,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses		5,075,174.28	6,113,381.16
Including: cash paid for distribution of dividends or profits by subsidiaries to minority owners			
Other cash payments related to financing activities			
Subtotal of cash outflows from financing activities		<u>107,222,376.86</u>	<u>86,113,381.16</u>
Net cash flows from financing activities		<u>3,389,423.14</u>	<u>-6,113,381.16</u>
IV. Effect of foreign exchange rate changes on cash & cash equivalents			
		<u>4,816.27</u>	<u>56.40</u>
V. Net increase in cash and cash equivalents			
Add: Opening balance of cash and cash equivalents		17,745,730.23	-33,338,319.25
		<u>301,159,590.59</u>	<u>275,779,836.62</u>
VI. Closing balance of cash and cash equivalents			
		<u>318,905,320.82</u>	<u>242,441,517.37</u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY — UNAUDITED
for the six months ended 30 June 2016
PREPARED BY: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

Monetary unit: RMB Yuan

Items	Current period										Total shareholders' equity				
	Shareholders' equity attributable to parent company														
	Share capital	Preference shares	Other equity instruments	Others	Capital reserve	treasury shares	Less: comprehensive income	Other	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Non-controlling interests	
I. Balance at the end of prior year	400,000,000.00				651,400,779.83		6,845,510.44	6,845,510.44	8,726,923.61	8,726,923.61		-136,070,969.11		350,697,119.25	1,281,599,364.02
Add: cumulative changes of accounting policies															
Error correction of prior period															
Business combination under common control															
Others															
II. Balance at the beginning of current year	400,000,000.00				651,400,779.83		6,845,510.44	6,845,510.44	8,726,923.61	8,726,923.61		-136,070,969.11		350,697,119.25	1,281,599,364.02
III. Current period increase (decrease, expressed in negative figures)															
(I) Total comprehensive income															
(II) Capital contributed or withdrew by owners															
1. Capital contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity															
4. Others															
(III) Profit distribution															
1. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners (shareholders)															
4. Others															
(IV) Internal carry-over within equity															
1. Transfer of capital reserve to capital															
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Others															
(V) Special reserve															
1. Appropriation of current period															
2. Application of current period															
(VI) Others															
IV. Balance at the end of current period	400,000,000.00				651,400,779.83		5,066,592.19	5,066,592.19	8,726,923.61	8,726,923.61		-148,793,750.31		364,716,015.39	1,281,116,580.71

Prior period

Shareholders' equity attributable to parent company

Items	Other equity instruments							Shareholders' equity attributable to parent company					Total shareholders' equity	
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others		Non-controlling interests
I. Balance at the end of prior year	400,000,000.00				651,355,565.01		3,116,211.94	8,726,923.61	-95,442,673.91				353,161,041.77	1,320,917,068.42
Add: cumulative changes of accounting policies														
Error correction of prior period														
Business combination under common control														
Others														
II. Balance at the beginning of current year	400,000,000.00				651,355,565.01		3,116,211.94	8,726,923.61	-95,442,673.91				353,161,041.77	1,320,917,068.42
III. Current period increase (decrease, expressed in negative figures)														
(I) Total comprehensive income							2,520,491.40						-3,569,357.01	-14,270,607.28
(II) Capital contributed or withdrew by owners														
1. Capital contributed by owners														
2. Capital contributed by holders of other equity instruments														
3. Amount of share-based payment included in equity														
4. Others														
(III) Profit distribution														
1. Appropriation of surplus reserve														
2. Appropriation of general risk reserve														
3. Appropriation of profit to owners (shareholders)														
4. Others														
(IV) Internal carry-over within equity														
1. Transfer of capital reserve to capital														
2. Transfer of surplus reserve to capital														
3. Surplus reserve to cover losses														
4. Others														
(V) Special reserve														
1. Appropriation of current period														
2. Application of current period														
(VI) Others							5,636,703.34	8,726,923.61	-108,664,415.58				349,591,684.76	1,306,646,461.14
IV. Balance at the end of current period	400,000,000.00				651,355,565.01		5,636,703.34	8,726,923.61	-108,664,415.58				349,591,684.76	1,306,646,461.14

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2016

Monetary unit: RMB Yuan

I. COMPANY PROFILE

Chengdu PUTIAN Telecommunications Cable Company Limited (the “Company”) was incorporated and registered with the Chengdu Administration Bureau of Industry and Commerce on 1 October 1994 after its restructuring from Chengdu Cable Plant of the Posts and Telecommunications Ministry of China (now known as “China PUTIAN Corporation”), as independent promoter, under the approval of the relevant department of the State Council. The Company is headquartered in Chengdu, Sichuan Province, and holds the Business License of Enterprise Legal Person numbered 510100400020197. The registered capital of the Company is RMB400,000,000 of which: equity interest of China Potevio Company Limited amounts to RMB240,000,000, representing 60% of the total shares; equity interest of public holders of ordinary shares (H Shares) listed in Hong Kong amounts to RMB160,000,000, representing 40% of the total shares. There are a total of 400,000,000.00 shares in issue with the nominal value of RMB1 each. The shares have been listed in Hong Kong Stock Exchange on 13 December 1994.

The Company belongs to the manufacturing industry. Business scope: electric wire and cable, fiber optic cable, cable special materials, irradiation processing, cable accessories, special equipment, equipment and different kinds of information industrial products (except categories restricted or prohibited by the State), devices and equipment technology research and development, product manufacturing, sales and service, and the import and export and wholesale, retail, commission agent (except by auction) of similar commodities as the above products; domestically purchased products (except specified goods) wholesale, retail, commission agent (except by auction), technical consulting and technical service.

These financial statements have been deliberated and approved by the 8th meeting of the 8th session of the Board of Directors on 26 August 2016.

The Company has brought 8 subsidiaries including Putian Fasten Cable Telecommunication Co., Ltd., Chengdu Zhongling Radio Communications Co., Ltd., Chengdu SEI Optical Fiber Co., Ltd., Jiangsu Fasten Photonics Co., Ltd., Jiangsu Fasten Optical Cable Co., Ltd., Houma Potevio Fasten Cable Communications Co., Ltd., Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant and Chongqing Putaifeng Aluminium Co., Ltd. into the consolidated scope. Please refer to notes to changes in the consolidated scope and interest in other entities for details.

II. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

(I) Preparation basis

The financial statements have been prepared on the basis of going concern. Based on the actual transactions and items occurred, in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of China (the Ministry of Finance Decree No. 33, the amended Decree No. 76), Specific accounting standards of 41 items which are issued and amended after 15 February 2006, Guidelines for application of enterprise accounting standards, Interpretation of enterprise accounting standards and other relevant regulations (the “Accounting Standards”).

In accordance with the Accounting Standards, the Company’s accounting is on an accrual basis. This financial report is based on historical cost, except some financial instruments. If there is an indication of impairment, the Company would make provision for impairment loss of the asset, according to the relevant regulations.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the end of the reporting period.

III. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Notes receivable

(1) Details

Items	Book balance	Closing balance Provision for bad debts	Carrying amount
Bank acceptance	96,028,175.16		96,028,175.16
Trade acceptance	695,204.39		695,204.39
Total	<u>96,723,379.55</u>		<u>96,723,379.55</u>

Items	Book balance	Opening balance Provision for bad debts	Carrying amount
Bank acceptance	101,592,650.87		101,592,650.87
Trade acceptance	192,566.92		192,566.92
Total	<u>101,785,217.79</u>		<u>101,785,217.79</u>

(2) Endorsed or discounted but undue notes receivable at the balance sheet date

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	<u>145,224,810.72</u>	
Subtotal	<u>145,224,810.72</u>	

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of a higher credit level, there is a rather low possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptor, according to the China Commercial Instrument Law.

(3) Notes receivable transferred to accounts receivable due to failure in repayment by issuers

Items	Closing balance transferred to accounts receivable
Trade acceptance	<u>3,060,450.40</u>
Subtotal	<u>3,060,450.40</u>

2. Accounts receivable

(1) Details

(1) Details of different categories of accounts receivable

Categories	Book balance		Closing balance Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis					
Receivables with provision made on a collective basis using portfolios with similar credit risk features	462,744,731.28	95.46	34,954,840.11	7.55	427,789,891.17
Receivable of individually insignificant amount but with provision made on an individual basis	22,011,328.06	4.54	20,186,168.81	91.71	1,825,159.25
Total	484,756,059.34	100.00	55,141,008.92	11.38	429,615,050.42

Categories	Book balance		Opening balance Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables of individually significant amount and with provision made on an individual basis					
Receivables with provision made on a collective basis using portfolios with similar credit risk features	441,179,534.91	95.13	33,386,026.50	7.57	407,793,508.41
Receivable of individually insignificant amount but with provision made on an individual basis	22,561,331.06	4.87	20,186,168.81	89.47	2,375,162.25
Total	463,740,865.97	100.00	53,572,195.31	11.55	410,168,670.66

(2) *In portfolios, accounts receivable with provision made for bad debts using age analysis method*

Ages	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	380,641,754.95		
1–2 years	42,828,366.73	4,282,836.67	10.00
2–3 years	11,193,098.28	3,357,929.48	30.00
3–5 years	3,837,186.77	3,069,749.41	80.00
Over 5 years	24,244,324.55	24,244,324.55	100.00
Subtotal	<u>462,744,731.28</u>	<u>34,954,840.11</u>	<u>7.55</u>

Ages	Book balance	Opening balance Provision for bad debts	Provision proportion (%)
Within 1 year	369,370,420.28		
1–2 years	34,891,325.17	3,489,132.52	10.00
2–3 years	8,869,088.80	2,660,726.64	30.00
3–5 years	4,062,666.56	3,250,133.24	80.00
Over 5 years	23,986,034.10	23,986,034.10	100.00
Subtotal	<u>441,179,534.91</u>	<u>33,386,026.50</u>	<u>7.57</u>

(2) *Age analysis*

Ages	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	380,641,754.95		
1–2 years	44,065,966.73	4,282,836.67	10.00
2–3 years	11,193,098.28	3,357,929.48	30.00
3–5 years	5,929,586.77	4,574,590.15	59.87
Over 5 years	42,925,652.61	42,925,652.62	100.00
Total	<u>484,756,059.34</u>	<u>55,141,008.92</u>	<u>11.38</u>

Ages	Book balance	Opening balance Provision for bad debts	Provision proportion (%)
Within 1 year	369,370,420.28		
1–2 years	34,891,325.17	3,489,132.52	10.00
2–3 years	8,869,088.80	2,660,726.64	30.00
3–5 years	7,942,669.56	4,754,973.99	59.87
Over 5 years	42,667,362.16	42,667,362.16	100.00
Total	<u>463,740,865.97</u>	<u>53,572,195.31</u>	<u>11.55</u>

The analysis of aging of accounts receivable is based on the time of delivering goods or providing services.

The credit terms granted to customers are generally 1 to 12 months. Accounts receivable that past due are reviewed by Management on a regular basis.

(3) Provisions for bad debts made, collected or reversed in current period

Provision for bad debts made in current period totaled RMB1,568,813.61. There is no provision written off in previous period but recovered in the current period or provision reserved due to recover of present value of estimated future cash flows.

(4) Details of the top 5 debtors with the largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
China Potevio Company Limited	93,383,171.02	19.26	
Fujian Radio and Television Network Company Limited	38,760,387.59	8.00	
Shenzhen ZTE Kangxun Telecom Company Limited	28,287,865.84	5.84	229.98
Shandong Radio and Television Network Company Limited	16,890,569.80	3.48	
Guangxi Radio and Television Network Company Limited	13,782,014.53	2.84	
Subtotal	<u>191,104,008.78</u>	<u>39.42</u>	<u>229.98</u>

3. Accounts payable

(1) Details

Items	Closing balance	Opening balance
Borrowings	250,377,744.91	189,005,353.53
Payment for project and equipment	5,518,376.87	7,801,454.06
Others	15,836,619.41	10,948,395.19
Total	<u>271,732,741.19</u>	<u>207,755,202.78</u>

(2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	244,135,410.15	188,032,257.43
1-2 years	22,005,811.34	10,541,582.73
2-3 years	1,435,136.80	4,856,696.67
Over 3 year	4,156,382.90	4,324,665.95
Total	<u>271,732,741.19</u>	<u>207,755,202.78</u>

The analysis of aging of accounts payable is based on the time of purchasing materials, goods or receiving services.

The credit terms granted by suppliers are generally 1 to 12 months.

4. Operating revenue/cost

Items	Current period		Prior period	
	Income	Cost	Income	Cost
Revenue from main operations	603,936,990.90	494,491,382.43	574,834,786.04	522,043,523.66
Revenue from other operations	<u>10,991,343.40</u>	<u>11,258,878.32</u>	<u>9,727,998.91</u>	<u>5,663,052.75</u>
Total	<u>614,928,334.30</u>	<u>505,750,260.75</u>	<u>584,562,784.95</u>	<u>527,706,576.41</u>

5. Taxes and surcharge for operations

Items	Current period	Prior period
Business tax	277,346.97	328,436.35
Urban maintenance and construction tax	1,240,545.92	818,223.30
Education surcharge	531,878.83	350,667.13
Local education surcharges	354,585.89	233,778.09
Housing Property tax	825,074.72	1,019,893.41
Price regulation fund	<u>2,433.49</u>	<u>10,429.84</u>
Total	<u>3,231,865.82</u>	<u>2,761,428.12</u>

6. Financial expenses

Items	Current period	Prior period
Interest expenditures	5,123,024.28	6,140,803.30
Including: Interest on bank borrowing, overdraft and other borrowings wholly repayable within five years	5,123,024.28	6,140,803.30
Less: Interest income	4,766,615.10	4,453,539.37
Exchange loss	1,001,734.22	449,465.06
Less: Exchange gain		
Handling charges	<u>369,599.23</u>	<u>889,477.94</u>
Total	<u>1,727,742.63</u>	<u>3,026,206.93</u>

7. Income tax expenses

Items	Current period	Prior period
Current period income tax expenses	6,699,183.15	335,023.94
Deferred income tax expenses	<u>362,131.16</u>	<u>-373,400.05</u>
Total	<u>7,061,314.31</u>	<u>-38,376.11</u>

8. Net other comprehensive income after tax

Items	Opening balance	Current period cumulative before income tax	Less: OCI carried forward transferred to profit or loss	Current period		Attributable to non-controlling interest after tax	Closing balance
				Less: income tax expenses	Attributable to parent company after tax		
Items to be reclassified subsequently to profit or loss							
Including: Gains/losses on changes in fair value of available-for-sale financial assets	6,845,510.44	-2,092,845.00		-313,926.75	-1,778,918.25		5,066,592.19
Total	6,845,510.44	-2,092,845.00		-313,926.75	-1,778,918.25		5,066,592.19

9. Calculation process of basic EPS and diluted EPS

(1) Calculation process of basic EPS

Items	Symbols	Current period	Prior period
Net profit attributable to shareholders of ordinary shares	A	-12,722,761.20	-13,221,741.67
Non-recurring profit or loss	B	6,210,771.72	3,513,425.03
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	C=A-B	-18,933,532.92	-16,735,166.70
Opening balance of total shares	D	400,000,000.00	400,000,000.00
Number of shares increased due to conversion of reserve to share capital or share dividend appropriation	E		
Number of shares increased due to offering of new shares or conversion of debts into shares	F		
Number of months counting from the next month when the share was increased to the end of the reporting period	G		
Number of shares decreased due to share repurchase	H		
Number of months counting from the next month when the share was decreased to the end of the reporting period	I		
Number of shares decreased in the reporting period	J		
Number of months in the reporting period	K	6.00	6.00
Weighted average of outstanding ordinary shares	$L=D+E+F \times G / (K-H \times I / K-J)$	400,000,000.00	400,000,000.00
Basic EPS	$M=A/L$	-0.03	-0.03
Basic EPS after deducting non-recurring profit or loss	$N=C/L$	-0.05	-0.04

(2) Calculation process of diluted EPS

The calculation process of diluted EPS is the same with that of basic EPS.

IV. INTEREST IN OTHER ENTITIES

(I) Equity in significant subsidiaries

1. Significant subsidiaries

(1) Basis information

Subsidiaries	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
Jiangsu Fasten Photonics Co., Ltd.	Jiangyin City	Jiangyin City	Manufacture		45.00	Business combination not under common control
Jiangsu Fasten Optical Cable Co., Ltd.	Jiangyin City	Jiangyin City	Manufacture		45.00	Business combination not under common control
Houma Potevio Fasten Cable Communications Co., Ltd.	Houma City	Houma City	Manufacture		45.00	Business combination not under common control
Putian Fasten Cable Telecommunication Co., Ltd.	Jiangyin City	Jiangyin City	Manufacture	45.00		Business combination not under common control
Chengdu Zhongling Radio Communications Co., Ltd.	Chengdu City	Chengdu City	Manufacture	90.00	6.67	Business combination not under common control
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	Chengdu City	Chengdu City	Manufacture	66.67		Business combination not under common control
Chengdu SEI Optical Fiber Co., Ltd.	Chengdu City	Chengdu City	Manufacture	60.00		Business combination not under common control
Chongqing Putaifeng Aluminium Co., Ltd.	Chongqing City	Chongqing City	Manufacture	40.00		Investment

(2) Other remarks

- (1) Basis of holding half or below voting rights but still controlling the investee and holding more than half voting rights but not controlling the investee

As the Company holds 45% equity of Putian Fasten Cable Telecommunication Co., Ltd., holds majority of voting right in the Board of Directors, and could control its financial and operation decision, and have a privileged variable return, the Company brought the financial statements of Putian Fasten Cable Telecommunication Co., Ltd. into the consolidation scope.

As the Company holds 40% equity of Chongqing Putaifeng Aluminium Co., Ltd., holds majority of voting right in the Board of Directors, and could control its financial and operation decision, and have a privileged variable return, the Company brought the financial statements of Chongqing Putaifeng Aluminium Co., Ltd. into the consolidation scope.

(2) Basis for determining an entity being acting as an agent or a principal

The determination of whether the Company is an agent or a principal requires comprehensive consideration of the relationship among the decision-maker, invested party and other parties, including the following four major factors:

- 1 Scope of decision-making of the decision-maker in the invested party.
- 2 Substantive rights of other parties.
- 3 Remuneration level of the decision-maker.
- 4 Risk of variable returns of the decision-maker due to other interests held in the invested party.

2. *Significant not wholly-owned subsidiaries*

Subsidiaries	Holding proportion of non-controlling interest	Profit or loss attributable to non-controlling interest	Dividend declared to non-controlling interest	Closing balance of non-controlling interest
Chengdu Zhongling Radio Communications Co., Ltd.	3.33	-53,408.61		1,906,925.51
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	33.33	-6,759,160.13		7,028,111.28
Chengdu SEI Optical Fiber Co., Ltd.	40.00	10,421,563.79	4,400,000.00	75,376,676.70
Putian Fasten Cable Telecommunication Co., Ltd.	55.00	3,043,944.22		268,638,345.03
Chongqing Putaifeng Aluminium Co., Ltd.	60.00	-234,043.13		11,765,956.87

3. Main financial information of significant not wholly-owned subsidiaries

(1) Assets and liabilities

Expressed in RMB10,000.00

Subsidiaries	Current assets	Non-current assets	Closing balance			Total liabilities
			Total assets	Current liabilities	Non-current liabilities	
Chengdu Zhongling Radio Communications Co., Ltd.	7,637.15	1,078.60	8,715.75	2,989.25		2,989.25
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	3,181.92	10,311.21	13,493.13	4,566.41	6,818.08	11,384.49
Chengdu SEI Optical Fiber Co., Ltd.	21,925.08	4,060.27	25,985.35	7,141.19		7,141.19
Putian Fasten Cable Telecommunication Co., Ltd.	60,402.85	30,681.85	91,084.70	41,341.81	899.56	42,241.37
Chongqing Putaifeng Aluminium Co., Ltd.	2,497.53	841.05	3,338.58	1,377.59		1,377.59
Subsidiaries	Current assets	Non-current assets	Opening balance			Total liabilities
			Total assets	Current liabilities	Non-current liabilities	
Chengdu Zhongling Radio Communications Co., Ltd.	6,229.00	1,150.77	7,379.77	1,492.88		1,492.88
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	4,048.66	10,612.41	14,661.07	3,520.91	7,003.57	10,524.48
Chengdu SEI Optical Fiber Co., Ltd.	18,065.01	3,508.10	21,573.11	4,234.33		4,234.33
Putian Fasten Cable Telecommunication Co., Ltd.	55,574.23	32,176.86	87,751.09	38,528.24	932.96	39,461.20
Chongqing Putaifeng Aluminium Co., Ltd.	800.00		800.00			

(2) Profit or loss and cash flows

Expressed in RMB10,000.00

Subsidiaries	Current period			Cash flows from operating activities
	Operating revenue	Net profit	Total comprehensive income	
Chengdu Zhongling Radio Communications Co., Ltd.	1,796.92	-160.39	-160.39	-766.97
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	278.80	-2,027.95	-2,027.95	-223.68
Chengdu SEI Optical Fiber Co., Ltd.	11,944.98	2,605.39	2,605.39	5,521.71
Putian Fasten Cable Telecommunication Co., Ltd.	36,961.40	553.44	553.44	-1,093.61
Chongqing Putaifeng Aluminium Co., Ltd.	589.79	-39.01	-39.01	77.55
Subsidiaries	Prior period			Cash flows from operating activities
	Operating revenue	Net profit	Total comprehensive income	
Chengdu Zhongling Radio Communications Co., Ltd.	1,489.79	-97.20	-97.20	-784.01
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	1,287.19	-288.29	-288.29	-310.63
Chengdu SEI Optical Fiber Co., Ltd.	8,655.85	220.32	220.32	-806.17
Putian Fasten Cable Telecommunication Co., Ltd.	33,457.99	-588.09	-588.09	-3,976.44
Chongqing Putaifeng Aluminium Co., Ltd.				

(II) Equity in joint ventures or associates

1. Significant associates

Associates	Main operating place	Place of registration	Business nature	Holding proportion (%)		Accounting treatment
				Direct	Indirect	
				Chengdu Yuexin Telecommunications Materials Co., Ltd.	Chengdu City	
Chengdu Bada Connector Co., Ltd.	Chengdu City	Chengdu City	Manufacture	49.00		Equity method

2. Main financial information of significant associates

Items	Closing balance/Current period		Opening balance/Prior period	
	Chengdu Yuexin Telecommunications Materials Co., Ltd.	Chengdu Bada Connector Co., Ltd.	Chengdu Yuexin Telecommunications Materials Co., Ltd.	Chengdu Bada Connector Co., Ltd.
Current assets	8,026,576.03	72,662,599.40	9,631,033.93	61,251,570.79
Non-current assets	4,823,296.75	2,482,761.97	3,218,838.85	2,903,816.33
Total assets	12,849,872.78	75,145,361.37	12,849,872.78	64,155,387.12
Current liabilities	7,700,566.48	65,866,940.18	9,449,877.61	55,177,525.54
Non-current liabilities				
Total liabilities	7,700,566.48	65,866,940.18	9,449,877.61	55,177,525.54
Non-controlling interest		105,585.38		92,759.43
Equity attributable to owners of parent company	3,406,818.89	9,172,835.81	3,399,995.17	8,885,102.15
Proportionate share in net assets	1,192,386.61	4,494,689.55	1,189,998.31	4,353,700.05
Adjustments				
Others	109,955.56		109,955.56	
Carrying amount of investments in associates	1,302,342.17	4,494,689.55	1,299,953.87	4,353,700.05
Fair value of equity investments in associates in association with quoted price				
Operating revenue	10,568,800.38	58,295,143.04	16,980,993.16	66,907,325.86
Net profit	55,169.15	287,733.67	60,130.02	240,315.59
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income	55,169.15	287,733.67	60,130.02	240,315.59
Dividend from associates received in current period				

V. OTHER SIGNIFICANT EVENTS

(I) Segment information

1. Identification basis and accounting policies for reportable segments

Reportable segments are identified based on operating segments which are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company that:

- (1) engages in business activities from which it may earn revenues and incur expenses;
- (2) whose financial performance are regularly reviewed by Management to make decisions about resource to be allocated to the segment and assess its performance; and
- (3) for which financial information regarding financial position, financial performance and cash flows is available through analysis.

The Company identified reportable segments based on products. Assets, businesses and customers of the Company are substantially located in China, economic condition of which is considered to have similar risks and returns. Therefore, no analysis of this geographical segment is presented.

2. Financial information of reportable segments

Items	Current period					Total
	Copper cable and related products	Optical cable and related products	Cable joint and related products	Other products	Inter-segment offsetting	
Revenue from main operations	109,389,478.91	487,930,501.21	729,997.27	5,897,911.89	-10,898.38	603,936,990.90
Cost of main operations	102,331,528.82	391,969,300.06	909,439.49	5,764,388.67	-6,483,274.61	494,491,382.43
Total assets	1,097,835,510.10	1,170,700,589.10	134,931,324.69	33,385,847.97	-441,932,820.08	1,994,920,451.78
Total liabilities	136,024,039.23	493,825,542.75	113,844,882.20	13,775,919.85	-43,666,512.96	713,803,871.07

Items	Prior period				Total
	Copper cable and related products	Optical cable and related products	Cable joint and related products	Inter-segment offsetting	
Revenue from main operations	162,793,927.13	419,128,451.51	10,506,078.31	-17,593,670.91	574,834,786.04
Cost of main operations	160,966,179.07	371,777,369.00	9,569,975.29	-20,269,999.70	522,043,523.66
Total assets	1,127,098,114.08	1,086,172,018.71	159,860,386.87	-425,059,420.44	1,948,071,099.22
Total liabilities	129,118,456.95	442,132,232.77	104,967,061.68	-34,793,113.32	641,424,638.08

(II) Other financial information

Items	Closing balance		Opening balance	
	Consolidated	Parent company	Consolidated	Parent company
Net current assets	658,892,915.30	276,610,182.42	647,344,965.93	277,939,569.59
Total assets less current liabilities	1,367,253,843.51	913,507,399.04	1,370,091,176.45	924,470,669.79

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Results analysis

During the Period, the Group was principally engaged in the manufacturing and sale of various types of telecommunication cables, optical fibres and cable joining sleeves.

During the Period, the Group recorded a turnover of RMB614,928,334.30, representing an increase of approximately 5.19% as compared to the corresponding period last year.

During the Period, sales of copper cables and related products amounted to RMB109,389,478.91, representing a decrease of approximately 37.69% as compared to the corresponding period last year. Sales of optical fibres by Chengdu SEI Optical Fiber Co., Ltd. (“Chengdu SEI”), a principal subsidiary of the Company, amounted to RMB119,449,782.69, representing an increase of approximately 38% as compared to the corresponding period last year. Sales of wire feed cables and other products by Chengdu Zhongling Radio Communications Co., Ltd. amounted to RMB17,969,211.91, representing an increase of approximately 20.62% as compared to the corresponding period last year. Sales of optical fibres and optical cables by Putian Fasten Cable Telecommunication Co., Ltd. (“Putian Fasten”) amounted to RMB369,614,043.94, representing an increase of approximately 10.47% as compared to the corresponding period last year.

The growth in principal businesses was mainly attributable to the increase in gross profit resulting from the increase in sales volume of optical fibres and optical cables which are the Company’s key products.

(II) Review of principal operations

To improve the performance of the Group, the Board has proactively adjusted the production and operation strategies in response to the internal and external environments of the Group and the market demand. The major business activities of the Group during the Period are summarized as follows:

In the first half of 2016, to pursue the principles of “innovation, integration and capital management”, the Company strived for efficient implementation of business strategies, better market synergy effects and effective sharing of resources. Operation of major projects was refined to boost business development.

1. Accelerating business development and enhancing quality and efficiency

Optical telecommunication business

Optical telecommunication business is one of the major businesses of the Company of which it has long standing competitive advantages. The Company has restructured the optical telecommunication business department to maximize the investment return. In the first half of the year, the Company passed the factory inspection for the supplier of collective procurement project of China Mobile in 2016. By upgrading and restructuring the product lines, the Company further explored the product market with higher gross profit and strengthened the marketing efforts in such segment market in order to enhance the overall profitability, operating efficiency and market shares of the Company.

Energy transmission cable business

To supplement the Company's major business of energy transmission cable segment, the Company established a joint venture, Chongqing Putaifeng Aluminium Company Limited ("Chongqing Putaifeng"), to expand its business chain to the upstream production of aluminium rods and aluminium alloy rods.

In pursuit of a greater market share, the Company further explored the rail cable market, actively expanded the power cable market and stepped up efforts in the expansion of copper wire processing and irradiation processing market. While consolidating the market share in the urban rail cable market, the Company successfully entered the locomotive market by winning the annual bid for power cables of CRRC Zhuzhou Locomotive Co., Ltd. ("Zhuzhou Locomotive") with its locomotive cable products. Through the successful annual bid for power cables of Xiangtan Electric Manufacturing Group Co., Ltd. (湘潭電機股份有限公司) ("Xiangtan Electric") as a sole manufacturer and the successful bid (ranking first) for power cables of Zhuzhou CRRC Times Electric Co., Ltd. ("CRRC Times Electric"), the Company further enhanced its marketing efforts for the nuclear power cables and enriched the product types of power cables.

Promoting reform and reorganization of the Company

Since Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant started internal reorganization and restructuring at the end of 2015, the Company actively negotiated with the minority shareholders on the restructuring plan through downsizing the manpower to reduce loss and restructure the organisation.

2. *Strengthening overall risk management for better risk management and control*

The Company conducted evaluation and review on specific risks and strengthened dynamic surveillance of major risks. The Company conducted special audits on Chongqing Putaifeng, the newly-established subsidiary, by earnestly inspecting and studying its production and operation, financial condition and assets and issued a special audit report with analysis of its finance and highlights of financial risks. The Company also provided written advices to the management of Chongqing Putaifeng for the strengthening of risk management.

3. *Implementing informatization management for more efficient management*

The Company fully implemented informatization management to establish management standards and refine working procedures. The Company adopted real-time information management in respect of human resources, capital and assets through the information system to improve quality and efficiency of operation. The Company has improved the timeliness and effectiveness of budget implementation through launches of budget management modules, ERP modules, human resources management modules and work plan modules, in order to realize a more precise cost management and control. The management of current assets and the process management on procurement, sales and inventory have also been further regulated. Besides, the Company carried out human resources reform covering the employees of all subsidiaries. The overall strategic goals of the Company were further subdivided into the weekly and monthly plans of managers of grade III and above in order to better align their major duties with the strategic requirement and enhance their working efficiency.

4. *Developing a more rational and comprehensive appraisal system*

The Company further improved the appraisal system through the establishment of an informationalized appraisal system. The Company issued the Management of the Work Plan System (工作計劃系統管理辦法), Management of Employee Performance of the Company (公司員工績效管理辦法), Management of the Performance of Managers (grade III and above) of the Company (公司三級以上經理績效管理辦法) and Regulations of Remunerations and Incentives (薪酬激勵管理辦法) to specify the appraisal methods and incentives. A balanced scorecard appraisal method was introduced. The general strategies and operation objectives of the Company are reflected in the responsibilities, performance targets and appraisal standards of all positions at all levels and departments in order to effectively promote the initiatives and self-motivation of employees.

5. *Promoting economic development with solid management foundation*

In respect of financial management, information systems have been implemented for budget management and reimbursement. All financial reimbursements were subject to the budget review under the budget management system, which effectively improved the budget management level. Moreover, the reimbursement system could effectively control all types of expenses and expenditures to be made within the budget, which in turn optimized the procedures of reimbursement. It could also send immediate report to the persons-in-charge at all levels when reimbursements were made. As such, the current financial system on the management of expenses has been improved substantially.

The Company reformed the sales platform and restructured the management of the sales centers. The business department of the Group started to restructure businesses and achieved certain breakthroughs, laying a strong foundation for future development.

In respect of technological management, the Company has applied for patents of four new utility models and one invention model in the first half of the year, which are all pending approval. For project applications, the Company has received insurance subsidies from the Science and Technology Board of Hi-Tech Zone (高新區科技局).

In respect of quality management, the Company enhanced the management of equipment, especially the primary and secondary maintenance and inspection of special equipment. It also strengthened inspection of instruments and completed testing on materials. The Company also completed internal review and passed the re-evaluation by China Quality Certification Center in respect of corporate environment and occupational health and safety management system for monitoring the quality of label products.

In terms of safety production management, the Company has made effective control with zero incident in respect of environmental safety, occupational health and safety, fire safety and security.

(III) Financial analysis

As at 30 June 2016, the Group's total assets amounted to RMB1,994,920,451.78, representing an increase of 5.34% from RMB1,893,704,925.26 as at the end of last year, of which the total non-current assets amounted to RMB708,360,928.21, accounting for 35.51% of the total assets and representing a decrease of 1.99% from RMB722,746,210.52 as at the end of last year. As at 30 June 2016, total current assets amounted to approximately RMB1,286,559,523.57, accounting for 64.49% of total assets and representing an increase of 9.87% from RMB1,170,958,714.74 as at the end of last year. The net cash inflow from operating activities of the Group during the Period amounted to RMB618,980,716.78 while the net cash inflow for the corresponding period last year was RMB443,896,906.51.

As at 30 June 2016, the Group's bank balances and cash (including deposits with encumbrance) amounted to RMB352,691,123.39, representing an increase of 4.82% from RMB336,464,641.98 as at the end of last year.

As at 30 June 2016, the Group's total liabilities amounted to RMB713,803,871.07 (as at 31 December 2015: RMB612,105,561.24). The liability-to-total-asset ratio was 35.78%, representing an increase of 3.46% as compared with 32.32% as at the end of last year. Bank and other borrowings due within one year amounted to RMB200,000,000.00.

During the Period, the Group did not have other fund-raising activities.

During the Period, the Group's distribution costs, administrative and other operating expenses and finance costs amounted to RMB30,030,196.36, RMB77,769,553.71, and RMB1,727,742.63 respectively, representing an increase of 29.96%, an increase of 61.64% and a decline of RMB1,298,464.30 from RMB23,107,159.71, RMB48,111,841.73 and RMB3,026,206.93 respectively in the corresponding period last year.

During the Period, the average gross profit margin of the Group was 17.75%, representing an increase of 8.03% from 9.73% in the corresponding period last year.

1. Analysis of liquidity

As at 30 June 2016, the Group's current ratio and quick ratio were approximately 2.05 and 1.63 respectively.

2. Analysis of financial resources

As at 30 June 2016, the Group's short-term bank loans and other loans amounted to RMB200,000,000.00. As the Group's bank deposits and cash amounted to RMB352,691,123.39, the Group has smaller exposure to short term solvency risk.

3. Capital structure of the Group

The Group's capital resources are derived from bank loans and proceeds from shares issued by the Company. To ensure reasonable utilization of the Group's capital, the Group has established a stringent and sound financial management system. During the Period, no inappropriate conduct was noted such as default in repayment of due debts and failure of performance of due obligations.

In the future, the Group will strengthen the control and management of funds so that they can be fully utilized under normal production and operation.

4. Contingent liabilities

As at 30 June 2016, the Group had no contingent liabilities (31 December 2015: Nil).

(IV)Business outlook

In the second half of 2016, the Company will focus on strengthening optical telecommunication business, refining energy transmission cable business and developing smart electrical equipment cable business for the expansion of the Company. More in-depth reforms will be carried out to streamline the management with information technology and database so as to enhance the working efficiency and resource allocation. Leveraging on the resources of being a state-owned and listed enterprise, the Company aims to expand its development and profitability.

1. Consolidating existing business and accelerating business transformation for higher profitability

Repositioning of optical telecommunication business to maximize investment return

Capitalizing on the featured products and technologies with high gross profit of Chengdu SEI and resource advantage as the regional platform and state-owned enterprise, the Company will strengthen the development of featured products with higher gross profit margin. The Company will capture the opportunities brought by the establishment of communication facilities by increasing the production of optic fibre, and continue to expand the sales of optic fibre as the largest operator with brand advantage in the local market. The Company will also make full use of its capacity and resources as a state-owned enterprise to seize opportunities from development projects such as the establishment of private networks of governments, municipal constructions and smart road networks, in order to expand sales in projects of government networks and smart cities.

The core development strategy of the Group is to further strengthen its participation in the construction of telecommunication networks across China and its expansion in projects of government networks and smart cities through nationwide broadband development strategies such as the “PRC Broadband Strategy” (寬帶中國戰略) and opportunities from development projects such as the establishment of private networks of governments, municipal constructions and smart road networks, in order to utilize resource advantage of the regional platform and state-owned enterprises. As part of this strategy, the Company intends to concentrate its resources on opportunities that could complement the existing core businesses conducted by the Group. The optical telecommunication business is adjusted in order to enhance the competitiveness of the Group and in accordance with the needs of strategic development. Therefore, the Company plans to dispose of 22.5% equity interest in Putian Fasten Cable Telecommunications Co., Ltd. (普天法爾勝光通信有限公司) (“Putian Fasten”). The Company retained some optical wand technologies for the possible development of an entire business chain and for potential investment return from optical cable market. On the other hand, Chengdu SEI, our best performing subsidiary, acted as a leader in the development of a self-owned optical cable and optical device manufacturing business to have positive competition with Putian Fasten and to develop the potential of optical telecommunication business.

High-end electrical equipment cable and aluminium products will be the Company's core products to facilitate the business transformation of copper cable business to energy transmission cable business, which will become the pivotal business of the Company.

The Company will reinforce the product development of electrical equipment cables and special cables and make use of the resources of China PUTIAN Corporation ("China Potevio") to develop cables for railway transportation and strive to achieve breakthrough in the market size of electrical equipment cables in order to gain profits. The Company will also accelerate the transition of Chongqing Putaifeng from trail production to normal production and operation so as to enhance the core competitiveness of the Company's power and cable businesses. Moreover, by capitalizing on the development opportunities arising from municipal constructions, road networks, power distribution networks and new urban constructions, the Company will explore the power and cables market of the government construction projects, and conduct sales of its featured products which are safe, environmentally friendly and soft and develop its brand in the market segments.

By developing smart electrical equipment cable business, the Company seeks to upgrade its business towards the provision of comprehensive solutions.

By leveraging on the needs of target investments in China such as the development of smart cities, new urban constructions, upgraded power distribution through smart grids, smart production and equipment upgrades and taking advantage of the brand resources of China PUTIAN, existing land resources and regional competitiveness, the Company will develop a production base of smart electrical equipment cables in the southwest region and form strategic cooperation with the western cities to develop the markets of smart cities, modification of smart traffic, smart municipal works, smart community, smart residence, new energy and electrical equipment. In addition, by developing new businesses in connection with the relevant core business areas of China PUTIAN to stimulate the Company's further development, the Company will gradually upgrade its businesses towards the provision of comprehensive solutions.

2. Promoting full coverage of informatization as an important means to enhance management

Comprehensive coverage of informatization will be further enhanced for the continual improvement of cable information system. Existing key information systems and modules including the ERP and budget systems will be further refined to resolve problems occurred in use and enrich their module functions. Key management processes will be further streamlined with the establishment of information systems. Financial system of the Company will be centralized. Group centralization management and standardized information will be carried out such as the applications of standardized financial software, unified coding system and centralized human resources information system by the Company and all of its business departments and subsidiaries, in order to develop a comprehensive information system covering the Company as a whole.

3. *Strengthening cost control and management to reduce cost and improve efficiency*

Comprehensive budget management will be enhanced. Restriction and monitoring of budget will be strengthened with a view to meeting the annual budget target. Through implementation and assessment of budget at each level, the Company will exercise more stringent control over the budget to ensure the balance between income and costs and enhance the effectiveness of cost reduction. The Company will further strengthen the monthly budget control by carrying out timely analysis on budget implementation in terms of monthly and cumulative profits, income, expenses and other indicators in order to promptly identify reasons for deviation and issuing analysis report, which will improve the guiding function of budgeting in production and operation.

An accountability system for cost and expense management will be established to define the responsibilities of each level in reducing cost, improving effectiveness and increasing profit margin. Working procedures for procurement management will be improved to regulate procurement and tender. The Company will also carry out strategic procurement and centralized procurement of bulk stock and services in order to facilitate cost reduction and efficiency enhancement.

More stringent management over asset quality will be made through prudent review, and management of project approval, customer credit and contracts will be strengthened. Inventory management will be strictly based on sales orders. The ratio of receivables and inventory to income will be closely monitored to minimize occupation of funds. Besides, the evaluation and management of the “Two Funds” will be brought to business frontline. The responsibility of reducing the “Two Funds” will be specified and linked to assessment of business performance. New non-performing assets and potential losses will be under stringent surveillance. Inefficient assets will be disposed.

4. *Accelerating the development of sales platform for market expansion*

A smart electrical equipment department will be established. By developing the channel department and the Group’s business department, the Company will further expand its market and attain larger market share in Chengdu and the southwest region. The Company will also strengthen team-building in the sales center and improve business training for adapting to requirements of the new business and market. Duties of the commerce department will be refined to enhance storage and delivery capacity.

5. *Improving management to raise management and control standard*

Continual improvement of performance assessment system

A cadre management system focusing on results performance is established to stimulate the working passion of the Company's cadre so that capable and enthusiastic cadre will be provided with sufficient development opportunities. Meanwhile, underperformed business teams and units with poor results will be eliminated. An exit mechanism is established to eliminate redundant staff and boost efficiency through voluntary resignations, removal based on assessment and position transfer. Various measures to address current misallocation of staff will be adopted to improve efficiency. A profit-oriented performance assessment system is gradually developed to form an enhanced and scientific appraisal mechanism. Assessments on staff at all levels will also be strengthened to guarantee completion of quarterly and annual assessments in a timely manner.

Enhancing investment management

The Company will strengthen the analysis on investment feasibility, enhance due diligence on projects and post-investment evaluation, and further regulate investment decision procedures and investment risk control. An expert review mechanism for major investment projects is established to improve professional standard in making investment decisions.

Improving quality management to eliminate potential quality problems

The Company will strive to maintain quality of products by formulating product standards, managing procurement, monitoring production process and conducting review and supervision. Moreover, the accountability system of quality will be optimized to strengthen the review of quality standards. The quality of products and customer satisfaction will be enhanced.

Promoting "Double Innovations"

The Company will implement the policy of "business development and product innovation by all staff" (大眾創業、萬眾創新) and will further integrate internal resources with centralized planning to enhance profitability. Innovation is encouraged to boost core competitiveness and incentives will be offered for technological inventions, upgrades in existing technologies and application of research results which achieve major breakthroughs and receive significant economic benefits. Technology advancement scheme will be refined to continuously improve the QEHS management system. Meanwhile, the Company will organize QC groups to encourage frontline staff to participate in the reform and finetuning of management to improve product quality.

Strengthening overall risk management

The Company will conduct evaluation and review on specific risks and will strengthen dynamic surveillance of major risks. Various audits will be carried out with the objectives of problem identification, risk warning, management improvement and value creation. The Company will implement the production safety in accordance with the requirements of the party and the government as well as the responsibilities of the Company to the society. Safety production inspection will be strengthened. Serious accidents regarding safety issues shall be eradicated.

(V) Major issues

1. *Appointment of independent non-executive Director*

On 4 February 2016, the Board announced that Mr. Lin Zulun has been appointed as an independent executive Director, a member of the Strategic Development Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee of the Company with effect from 4 February 2016.

2. *Amendments to the annual caps of continuing connected transactions under the Potevio Framework Sales Agreement*

On 29 April 2016, the Company and China Potevio (together with its subsidiaries but excluding the Group, collectively “Potevio Group”) entered into the supplemental agreement for the Potevio Framework Sales Agreement regarding revision of annual caps of the sale of certain cables, wires, optical fibers, telecommunication components and parts to Potevio Group under the Potevio Framework Sales Agreement. Details of the transactions are set out in the announcement dated 29 April 2016 and the supplementary circular dated 26 May 2016. On 24 June 2016, such transactions were approved by way of an ordinary resolution at the annual general meeting of the Company for 2015.

The revised annual caps under the Potevio Framework Sales Agreement for the years ended 31 December 2016 and 2017 are RMB350,000,000 and RMB325,000,000, respectively.

As of 30 June 2016, the transaction amount between the Company and Potevio Group was RMB73,680,387.96.

3. *Entering into the Honyar Framework Distribution Agreement*

On 29 April 2016, the Company entered into the Honyar Framework Distribution Agreement with Hangzhou Honyar Electrical Co., Ltd. (“Hangzhou HONYAR Electrical”, together with its subsidiaries, the “Honyar Group”) in respect of the purchase of certain electrical products, lighting products, piping products and smart products, from Honyar Group to the Group. For Details of the transactions are set out in the announcement dated 29 April 2016 and the supplementary circular dated 26 May 2016. On 24 June 2016, such transactions were approved by way of an ordinary resolution at the annual general meeting of the Company for 2015.

The annual caps under the Honyar Framework Distribution Agreement for the years ended 31 December 2016 and 2017 are RMB40,000,000 and RMB90,000,000 respectively.

As at 30 June 2016, no transaction has been made between the Company and Hangzhou HONYAR Electrical.

4. *Amendment to the Articles of Association*

For developing new business segments in accordance with the recent strategic business development of the Company, the amendment to the Articles of Association was approved by way of a special resolution at the annual general meeting of the Company for 2015 to set out the new scope of business of the Company. For details, please refer to the supplementary circular dated 26 May 2016 and the poll results announcement of the annual general meeting dated 24 June 2016.

5. *Entering into the Taishan Framework Sales Agreement*

On 27 May 2016, Chongqing Putaifeng Aluminium Co., Ltd. and Chongqing Taishan Cable Co., Ltd., non-wholly owned subsidiaries of the Company, entered into the Taishan Framework Sales Agreement for a term from 27 May 2016 to 31 December 2016, in respect of the sale of certain electrical conductor wire rods and aluminium wire rods, from Chongqing Putaifeng Aluminium to Chongqing Taishan Cable. Details of the transactions are set out in the announcement dated 27 May 2016.

The annual cap under the Taishan Framework Sales Agreement for the year ended 31 December 2016 is RMB400,000,000.

As at 30 June 2016, the transaction amount between the Company and Chongqing Taishan Cable was RMB6,283,560.05.

6. *Possible disposal of equity interest in a joint venture company*

On 29 July 2016, the Board announced that the Company published a listing-for-sale notice (the “**Listing-for-sale Notice**”) on the China Beijing Equity Exchange (北京產權交易所) in respect of its possible disposal of 22.5% equity interest in Putian Fasten on 27 July 2016. Following the expiration of the Listing-for-sale Notice, since the Group is a state-owned enterprise and the equity interest in Putian Fasten is regarded as state-owned assets under relevant laws and regulations of the PRC, any transfer of equity interest in Putian Fasten is further subject to an open bid organised by the China Beijing Equity Exchange. The Company will make further disclosure in relation to the open bid in compliance with the Listing Rules as and when appropriate.

OVERDUE TIME DEPOSITS

As at 30 June 2016, the Group did not have any deposit and trust deposit with non-banking financial institutions nor time deposits that cannot be recovered on maturity.

ENTERPRISE INCOME TAX

Pursuant to the document of High-tech Enterprises Recognition Committee of Sichuan Province (Chuangaoqiren [2015] No.7), the Company was recognised as a high-tech enterprise and enjoyed the high-tech enterprises preferential tax rate of 15% for a period of three years from 2015 to 2017.

According to the document of High-tech Enterprises Recognition Committee of Sichuan Province (Chuangaoqiren [2014] No.6), the Company's subsidiaries, Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant, Chengdu SEI Optical Fiber Co., Ltd. and Chengdu Zhongling Radio Communications Co., Ltd., were recognised as high-tech enterprises and enjoyed the high-tech enterprises preferential tax rate of 15% for a period of three years from 2014 to 2016.

According to Sugaoqixie [2015] No.14 issued by the High-tech Enterprises Recognition and Management Coordination Group of Jiangsu Province, the Company's subsidiary, Jiangsu Fasten Photonics Co., Ltd., was recognised as the second batch of high-tech enterprises in 2015 in Jiangsu Province and enjoyed the high-tech enterprises preferential tax rate of 15% for a period of three years from 2015 to 2017.

PLEDGE OF ASSETS

As at 30 June 2016, owing to the needs for production and operation, the Group obtained new loan of RMB70,000,000 from banks which was secured by the Group's assets (as at 31 December 2015: RMB50,000,000).

RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group adopts risk management objectives in order to strike the appropriate balance between the risks and benefits, mitigate the adverse effects of risks on the Group's operating results and maximize the interest of shareholders and other equity investors. Based on such objectives, the Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and exercise risk control, and to monitor risks in a timely and reliable manner and adherence to limits.

The Group has exposure to various risks from daily activities in relation to financial instruments, which mainly include: credit risk, liquidity risk and market risk.

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's credit risk is primarily attributable to bank balances and receivables. In order to control such risks, the Group has taken the following measures:

1. Bank balances

The Group deposits its bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

2. Receivables

The Group performs credit assessment on customers who use credit settlement on a continuous basis. The Company selects credible and reputable customers based on credit assessment result, and conducts monitoring on their receivables, in order to avoid significant risks in bad debts.

(II) Liquidity risk

Liquidity risk is the risk that the Group may encounter deficiency of funds in meeting obligations associated with settlements by cash or other financial assets, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparts of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Group utilized financing tools comprehensively such as notes settlement, bank borrowings, etc. and adopted long and short-term financing methods to optimize financing structures, and finally maintained a balance between financing sustainability and flexibility. The Group has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

(III) Market risk

Market risk is the risk that the Group may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market price. Market risk mainly includes interest risk and foreign exchange risk.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market interest. The Group's interest risk relates mainly to borrowings with floating interest rate.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value of financial instruments or future cash flows resulted from changes in exchange rate. The Group's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Group may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

STAFF AND REMUNERATION POLICY OF THE GROUP

As at 30 June 2016, the Group had 1,880 staff members (as at 31 December 2015: 2,079 staff members). As at 30 June 2016, the remuneration for staff members was RMB87,886,349.83 (the corresponding period of 2015: RMB61,149,153.96).

The Group determines the remunerations of its staff based on their performance, experience and prevailing industry practices. Other benefits offered to the staff include retirement benefits plans, medical benefits plans and housing fund plans. The Group also provides technical trainings to its staff.

SHAREHOLDING OF SHAREHOLDERS AND CHANGE OF SHARE CAPITAL STRUCTURE

1. Share capital structure

During the Period, the Company did not make any arrangements for bonus issue, placing or increase of shares or offering of new shares of the Company. During the Period, there was no change in the Company's total share capital and share capital structure. The total issued share capital of the Company remained at RMB400,000,000 divided into 400,000,000 shares with a nominal value of RMB1.00 each, comprising 240,000,000 domestic state-owned corporate shares and 160,000,000 overseas issued shares ("H Shares"), representing 60% and 40% of the issued share capital of the Company, respectively.

2. Shareholdings of substantial shareholders

As at 30 June 2016, the largest shareholder of the Company was China Potevio Company Limited which held 240,000,000 state-owned legal person shares, representing 60% of the issued share capital of the Company. As at 30 June 2016, HKSCC Nominees Limited ("HKSCC", holding shares of the Company on behalf of various customers) held 156,148,999 H Shares, representing 39.04% of the issued share capital of the Company.

As at 30 June 2016, save as stated in this section, the Board was not aware of any person holding any interests or short positions in shares or underlying shares of the Company which are required to be disclosed pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). As shown in the register of substantial shareholders of the Company maintained under Section 336 of the SFO, the Company has been notified by shareholders holding 5% or more of the Company's issued H Shares, that these are interests other than those held by the directors (the "Directors"), supervisors (the "Supervisors") or the chief executive of the Company which have already been disclosed.

As indicated by Hong Kong Securities Clearing Company Limited, as at 30 June 2016, the Central Clearing and Settlement System (“CCASS”) participants holding 5% or more of the total issued H Shares of the Company are shown as follows:

CCASS participants	Number of Shares held as at 30 June 2016	Percentage of H Shares	Percentage of total issued share capital
The Hongkong & Shanghai Banking Corporation Limited	14,729,100	9.20%	3.68%
BOCI Securities Limited	10,493,000	6.55%	2.62%
ICBC (Asia) Securities Limited	9,592,000	5.99%	2.40%
DBS Vickers (Hong Kong) Ltd.	9,474,000	5.92%	2.37%
CITIC Securities Brokerage (HK) Limited	8,453,000	5.28%	2.11%
Bank of China (Hong Kong) Limited	8,162,000	5.10%	2.04%

Save as disclosed above, as at 30 June 2016, the Company was not aware of any other shareholding interests which are required to be disclosed pursuant to the SFO. The Board was not aware of any person holding, directly or indirectly, 5% or more of the interests in the issued H Shares of the Company.

3. Shareholdings of Directors and Supervisors

As at 30 June 2016, none of the Directors, Supervisors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) recorded in the register as required under Section 352 of the SFO or which were otherwise required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

4. Sufficient public float

According to public information available to the Company and to the best knowledge of each Director, the Company confirmed that a sufficient public float was maintained during the Period and as at the date of this announcement.

5. Purchase, sale or redeem of listed securities of the Company

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

6. Convertible securities, share options, warrants or relevant instruments

During the Period, the Company did not issue any convertible securities, share options, warrants or relevant instruments.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (no interim dividend was paid for the six months ended 30 June 2015).

AUDIT COMMITTEE

At present, the members of the audit committee of the Board of the Company (the “Audit Committee”) are Mr. Choy Sze Chung, Jojo (Chairman), Mr. Xiao Xiaozhou and Mr. Lin Zulun, and all of them are independent non-executive Directors of the Company.

The Audit Committee is primarily responsible for the risk management, internal control and financial review and reporting matters of the Company and making recommendation to the Board on the appointment and/or removal of external auditors. The Audit Committee has reviewed the Group’s unaudited interim consolidated financial statements and interim results for the six months ended 30 June 2016. The Audit Committee considered that the interim consolidated financial statements and interim results for the six months ended 30 June 2016 have complied with the requirements of applicable accounting standards and laws and appropriate disclosures were made.

CODE ON CORPORATE GOVERNANCE

Upon the change of session of the Board effective from 12 November 2015, the number of independent non-executive Directors and members of the Audit Committee of the Company failed to comply with the minimum number requirements under Rules 3.10(1) and 3.21 of the Listing Rules. The proportion of independent non-executive Directors in the Board also fell below the minimum requirement under Rule 3.10A of the Listing Rules, and the compositions of the Remuneration and Appraisal Committee and the Nomination Committee failed to comply with Rule 3.25 of the Listing Rules and Code Provision A.5.1 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules. During the vacancy, the Board has been seeking suitable candidates. Effective from 4 February 2016, Mr. Lin Zulun has been appointed as an independent non-executive Director of the Company and a member of various Board committees to fill the relevant vacancies.

The Company will continue putting effort in complying with high standards of corporate governance so as to ensure better transparency of the Company and protection of interests of the shareholders and the Company as a whole. Save as disclosed above, the Company had complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the Period.

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors of the Company.

After specific enquiries, the Board is pleased to report that all Directors and Supervisors had confirmed their full compliance with the Model Code during the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cdc.com.cn>).

The 2016 interim report of the Company will be dispatched to the shareholders and will be available for inspection at the above websites in due course.

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

Chengdu, the PRC, 26 August 2016

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

Executive Directors:

Mr. Zhang Xiaocheng (Chairman)
Mr. Wang Micheng
Mr. Wang Feng
Mr. Han Shu
Ms. Xu Liying
Mr. Fan Xu

Independent Non-executive Directors:

Mr. Choy Sze Chung, Jojo
Mr. Xiao Xiaozhou
Mr. Lin Zulun