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**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)

## **VOLUNTARY LIQUIDATION OF A SUBSIDIARY**

### **VOLUNTARY LIQUIDATION OF CHONGQING PUTAIFENG**

The board of directors (the “**Board**”) of Chengdu PUTIAN Telecommunications Cable Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that on 23 November 2017, the board of directors of 重慶普泰峰鋁業有限公司 (Chongqing Putaifeng Aluminium Company Limited\*) (“**Chongqing Putaifeng**”), a non-wholly owned subsidiary of the Company, resolved to voluntarily liquidate Chongqing Putaifeng in accordance with Article 180(2) of the Companies Law of the People’s Republic of China (the “**Winding-Up**”).

### **INFORMATION ABOUT CHONGQING PUTAIFENG**

As at the date of this announcement, the Company holds 40% equity interest of Chongqing Putaifeng. The financial statements of Chongqing Putaifeng has been consolidated into the Group since 2015, therefore Chongqing Putaifeng is considered as a non-wholly owned subsidiary of the Company. 重慶泰山電纜有限公司 (Chongqing Taishan Cable Co., Ltd.\*) (“**Chongqing Taishan**”) and 成都黃石雙峰電纜有限公司 (Chengdu Huangshishuangfeng Cable Co., Ltd.) (“**Huangshi Shuangfeng**”) are also a substantial shareholder of Chongqing Putaifeng, each holding 30% equity interest in Chongqing Putaifeng.

Chongqing Putaifeng was incorporated in The People’s Republic of China on 3 November 2015 as a limited liability company by the Company, Chongqing Taishan and Huangshi Shuangfeng, with a registered and paid-up capital of RMB20,000,000. It is principally engaged in the business of the research and development, manufacture and sale of electrical conductor wire rods, aluminium wire rods and the semi-finished products of the same in the PRC. The approved duration of operation of Chongqing Putaifeng is indefinite commencing from 3 November 2015.

\* For identification purposes only

## LISTING RULES IMPLICATION

As the values of the total revenue of Chongqing Putaifeng for the year ended 31 December 2016 represented more than 5% of the Company's consolidated total revenue respectively as shown in the audited consolidated financial statements of the Company for the year ended 31 December 2016, being the latest published audited consolidated financial statements of the Company, Chongqing Putaifeng is considered a "subsidiary" of the Company for the purposes of Rule 13.25(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

## REASONS FOR THE VOLUNTARY LIQUIDATION OF CHONGQING PUTAIFENG

From June to November 2015, Chongqing Putaifeng made a loss of RMB1.65 million in six months in the form of joint operation. In 2016, Chongqing Putaifeng produced 8,200 tons of aluminum poles (including commissioned processing) with a annual sales volume of 7,600 tons (including the commissioned processing). According to the audited annual financial statements of Chongqing Putaifeng for the year ended 31 December 2016, Chongqing Putaifeng recorded a sales revenue RMB80,129,600, a loss of RMB3,318,300 in 2016. For the six months ended 30 June 2017, Chongqing Putaifeng incurred a loss of RMB38,057,000.

The main reasons for the loss-making of Chongqing Putaifeng are as follows:

1. problems with its main raw material, i.e. aluminum-water;
2. its main products are not competitive;
3. unreasonable expenses in purchase and sale; and
4. cost amortization.

In view of the above, the shareholders of Chongqing Putaifeng are of the view that the current loss-making situation of Chongqing Putaifeng is difficult to reverse in the short term. Despite the Company's repeated effort in negotiating with the other two shareholders of Chongqing Putaifeng and seeking interested party to acquire Chongqing Putaifeng, as no suitable interested party was found, the shareholders of Chongqing Putaifeng resolved to the Winding-Up.

Pursuant to the articles 22(9) of the articles of association of Chongqing Putaifeng, the shareholders meeting of Chongqing Putaifeng is the authority of Chongqing Putaifeng, which has the power to determine on the liquidation issues of Chongqing Putaifeng.

Pursuant to Article 184 of the Companies Law of the People's Republic of China, the board of directors of Chongqing Putaifeng has resolved to appoint a liquidation committee ("**Liquidation Committee**") to wind up Chongqing Putaifeng accordingly and the Winding-Up will commence on 23 November 2017. The Liquidation Committee consists of ten representatives from the Company, Chongqing Taishan and Huangshi Shuangfeng.

## **EFFECT OF THE VOLUNTARY LIQUIDATION ON THE GROUP**

The Board considers that the Winding-Up is in the best interests of the Group and will not lead to material adverse impact on the operations of the Group.

Further announcement(s) will be made by the Company as and when appropriate if there is any material progress regarding the Winding-Up.

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

Chengdu, the PRC, 23 November 2017

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

*Executive Directors:*

- Mr. Zhang Xiaocheng (*Chairman*)
- Mr. Wang Micheng
- Mr. Han Shu
- Ms. Xu Liying
- Ms. Liu Yun
- Mr. Fan Xu

*Independent Non-executive Directors:*

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

\* *For identification purpose only*