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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)

## **PROFIT WARNING**

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the “**Year**”), the Group expects to record a net loss attributable to the owners of the Company as compared to a net profit attributable to the owners of the Company of approximately RMB30,000,000 for the year ended 31 December 2017 (the “**Corresponding Year**”).

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

- i. the Group expects to record a decrease of approximately 20% in its operating revenue for the Year (i.e. approximately RMB614,800,000) as compared to that for the Corresponding Year (i.e. approximately RMB764,000,000) due to the decrease in sales of the major products of the Group under the effects of market condition as well as the Group’s decision in exiting the business of aluminium rods and related products;
- ii. the Group expects to record substantial decreases in its gross profit and gross profit margin for the second half year of 2018 (i.e. approximately RMB43,100,000 and 14% respectively) as compared to that for first half year of 2018 (i.e. approximately RMB100,000,000 and 32% respectively) and second half year of 2017 (i.e.

approximately RMB101,100,000 and 27% respectively) respectively. Such decreases were mainly due to the decrease in price of optical fibers during the second half year of 2018; and

- iii. the Group expects to record substantial decrease in its investment income (the Year: approximately RMB500,000; the Corresponding Year: approximately RMB8,700,000) and other income (the Year: approximately RMB7,800,000; the Corresponding Year: approximately RMB20,300,000) for the Year as compared to those for the Corresponding Year due to the decrease in revenue from associates of the Company and the decrease in government subsidies.

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

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

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

Chengdu, the PRC, 1 February 2019

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

*Executive Directors:*

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

*Independent non-executive Directors:*

Ms. Mao Yaping  
Mr. Xiao Xiaozhou  
Mr. Feng Gang