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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)

**DISCLOSEABLE TRANSACTION IN RELATION
TO THE TRANSFER OF PROPERTY MANAGEMENT FUNCTION
AND THE RELATED ASSETS**

**SUPPLEMENTAL AGREEMENT IN RELATION TO THE TRANSFER OF
PROPERTY MANAGEMENT FUNCTION**

Reference is made to the voluntary announcement of the Company dated 10 July 2018 in relation to the Agreement, pursuant to which the Company shall pay the Transfer Fee to the Transferee for the transfer of property management function and assets related to the transfer of property management function. On 10 May 2019, the Company and the Transferee entered into a supplemental agreement.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer under the Supplemental Agreement exceeds 5% but is less than 25%, the Transfer constitutes a discloseable transaction for the Company and is subject to the disclosure requirement under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the voluntary announcement of the Company dated 10 July 2018 in relation to the Agreement pursuant to which the Company shall pay the Transfer Fee to the Transferee for the transfer of property management function and along with the assets related to the transfer of property management function. On 10 May 2019, the Company and the Transferee entered into the Supplemental Agreement. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The principal terms of the Transfer Agreement are as follows:

Date:	30 June 2018 and supplemented on 10 May 2019
Transferor:	Company
Transferee:	Sichuan Energy Industry Investment Runjia Property Co., Ltd* (四川能投潤嘉置業有限公司)
Subject matter:	The transfer of property management function of 1,972 households in 13 workers' living areas of the Company and assets related to such transfer in the aggregate amount of approximately RMB350,000
Transfer fee:	An amount not exceeding approximately RMB14.2 million
Completion date of the maintenance and reconstruction works:	Transferee should complete the maintenance and reconstruction works of the properties and final acceptance within 220 calendar days upon receiving the first payment of the Transfer Fee payable by the Company
Compensation:	Transferee shall fully compensate the Company for any economic loss incurred (including the subsidies confiscated) due to the delay in progress of the Transferee and the provision relevant information in relation to the maintenance and reconstruction works to the Company, leading to the failure of the Company to complete the final account audit in a timely manner

Pricing basis and payment terms

The Transfer Fee is determined in arm's length negotiations with reference to (i) reconstruction fee standard set according to the notice by the Finance Department and the State-Owned Assets Supervision and Administration Commission of the Sichuan Province on the "Measures for Administration of Subsidies for the separation and transfer of "Three Supplies and Estate Management" in the Worker's Living Areas of the State-owned Enterprises in Sichuan Province" (Chuancaiqi [2016] No.79)* (《省財政廳省國資委關於印發四川省國有企業<職工家屬區“三供一業”分離移交財政補助資金管理辦法>的通知》) (川財企[2016] 79號) and (ii) the number of properties, being the households in the workers' living areas to which property management function are performed against, being

transferred. The Transfer Fee is incurred to carry out maintenance and reconstruction works, for which the Transferee is responsible, to ensure the properties and facilities meet the basic requirements and is safe under normal circumstance which is not below the average standard required of infrastructures of the respective cities in which the properties are located.

The Transfer Fee shall be paid by the funds raised by the Company to the Transferee in the following manner:

- (a) 15% of the Transfer Fee shall be paid within 5 working days upon signing of the Supplemental Agreement;
- (b) 35% of the Transfer Fee shall be paid within 7 working days upon signing of the initial maintenance and reconstruction plan;
- (c) 30% of the Transfer Fee shall be paid upon the completion of 50% of the maintenance and reconstruction works; and
- (d) the balance shall be paid within 15 working days upon completion of final account audit.

REASONS FOR AND THE BENEFIT OF THE TRANSFER

Due to historical reasons, certain subsidiaries of the Company has undertaken part of the water supply, power supply, gas supply and property management services in their workers' living areas. According to the Separation and Transfer Documents, the separation and transfer of the Three Supplies and Estate Management in the workers' living areas shall be implemented by state-owned enterprises nationwide comprehensively.

The Separation and Transfer allows state-owned enterprises such as the Group to reduce their liabilities, concentrate on their core businesses, and promote business development in the long run. As such, the Directors are of the view that the Transfer is fair and reasonable, and is of the interests of the Company and its shareholders as a whole.

According to the Agreement, the Transferee shall commence the maintenance and reconstruction works of the properties upon receiving 80% of the Transfer Fee payable by the Company within 15 working days upon receiving the relevant subsidies. However, as at the date of this announcement, the Company has not received the relevant subsidies, being 50% of the Transfer Fee to be subsidised by the Ministry of Finance and 30% of the Transfer Fee to be subsidised by China PUTIAN Corporation* (中國普天信息產業集團有限公司). In order to ensure the separation and transfer of estate as well as the maintenance and renovation work could be completed within the timeframe required by SASAC, and commence the maintenance and reconstruction works and complete the Transfer and apply for subsidies settlement (no later than the end of February 2020) as soon as practicable, the Company and the Transferee entered into the Supplemental Agreement to modify the payment arrangement and the commencement date of the maintenance and reconstruction works. As the purpose of entering into the Supplemental Agreement is to allow the Transferee to commence the maintenance and reconstruction works and complete the Transfer and apply for subsidies settlement (no later than the end of February 2020) as soon

as practicable, the Directors are of the view that entering into the Supplemental Agreement is fair and reasonable, and is of the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer under the Supplemental Agreement exceeds 5% but is less than 25%, the Transfer constitutes a discloseable transaction for the Company and is subject to the disclosure requirement under Chapter 14 of the Listing Rules.

GENERAL

The Group is principally engaged in the technological research and development of wires and cables, optic fibers and optical cables, specialised cable materials, irradiation processing, cable accessories, specialised equipment, instruments and devices and equipment for different kinds of information industrial products (except categories restricted or prohibited by the State Council of the PRC); product manufacturing, sales and service.

The Transferee is a state-owned enterprise in the Sichuan Province of the PRC which provides four main areas of service including property management, hotel management, pre-school education and landscape maintenance. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Transferee and its ultimate beneficial owner are Independent Third Parties and not connected persons of the Group (under the meaning of the Listing Rules).

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Agreement”	the agreement entered into among the Company and the Transferee on 30 June 2018 regarding the Transfer
“Announcement”	the announcement of the Company dated 10 July 2018
“Board”	the board of Directors
“Company”	成都普天電纜股份有限公司 (Chengdu PUTIAN Telecommunications Cable Company Limited), a sino-foreign joint stock company incorporated in the PRC with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Separation and Transfer”	the separation and transfer of the Three Supplies and Estate Management as required under the Separation and Transfer Documents
“Separation and Transfer Documents”	refers to (i) the notice by the State-Owned Assets Supervision and Administration Commission on separation and transfer of Three Supplies and Estate Management (三供一業) in state-owned enterprises (Guobanfa [2016] No. 45)* (《國務院辦公廳轉發國務院國資委、財政部關於國有企業職工家屬區“三供一業”分離移交工作指導意見的通知》(國辦發[2016]45號)); (ii) the “Measures for Administration of Subsidies from the Central Treasury for the separation and transfer of Three Supplies and Estate Management in the Worker’s Living Areas of the State-owned Enterprises Supervised by the Central Government” (Cai Zi [2016] No. 38)* (《中央企業職工家屬區「三供一業」分離移交中央財政補助資金管理辦法》(財資[2016]38號)); and (iii) other relevant documents
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement entered into between the Company and the Transferee on 10 May 2019 regarding the Transfer
“Three Supplies and Estate Management”	water supply, power supply, gas supply and property management services (三供一業)
“Transfer”	the transfer of property management function of 1,972 households in 13 workers’ family living areas of the Company along with the assets related to such transfer in the aggregate amount of approximately RMB350,000
“Transferee”	Sichuan Energy Industry Investment Runjia Property Co., Ltd* (四川能投潤嘉置業有限公司)
“Transfer Agreement”	the Agreement and the Supplemental Agreement

“Transfer Fee” the transfer fee in the amount not exceeding approximately RMB14.2 million as property management fee and reconstruction fee on the living areas

% per cent.

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

Chengdu, the PRC, 10 May 2019

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

Executive Directors:

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

Independent non-executive
Directors:

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

* *For identification purposes only*