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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)

### **PAST CONTINUING CONNECTED TRANSACTIONS**

#### **Past Continuing Connected Transactions**

It has come to the attention of the Company that some transactions entered into between the Group and its controlling shareholder group, the Potevio Group, constitute continuing connected transactions of the Group. The Group has also purchased optical fiber preform from Sumitomo Electric Group, which is a connected person of the Group by virtue of them being a substantial shareholder of SEI Optical, a non-wholly owned subsidiary of the Company. Furthermore, upon consolidation of Putian Fasten JV as a non-wholly owned subsidiary of the Company in 2013, the Fasten Group and Jiangsu Fasten Company Limited became connected persons of the Group at subsidiary level as they both held more than 10% equity interest in Putian Fasten JV. Consequently, transactions between the Group and Fasten Group, Sumitomo Electric Group and/or Jiangsu Fasten Company Limited are continuing connected transactions of the Group.

#### **Listing Rules Implications**

China PUTIAN Corporation (中國普天信息產業集團公司) is the controlling shareholder of China Potevio, who in turn is the controlling shareholder of the Company since 1994 when the Company was listed on the Stock Exchange, holding 60% equity interest in the Company. Therefore, China Potevio and the Potevio Group are connected persons of the Group and transactions with China Potevio and the Potevio Group are connected transactions of the Company. The Past Continuing Connected Transactions with Potevio Group whose applicable percentage ratios that exceed 0.1% but are less than 5% are subject to the reporting, annual review and announcement requirements only, while those Past Continuing Connected Transactions with Potevio Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Predecessor CT Rules.

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

Fasten Co., Ltd. and Fasten Company each holds approximately 24.8% and 19% equity interest in Putian Fasten JV. Although the Company holds approximately 45% equity interest in Putian Fasten JV, the financial results of Putian Fasten JV are consolidated into the Group in 2013. Therefore, Putian Fasten JV is considered a non-wholly owned subsidiary of the Company. As Fasten Co., Ltd. and Fasten Company are substantial shareholders of Putian Fasten JV, Fasten Co., Ltd. and Fasten Company are connected persons of the Group at subsidiary level under the Listing Rules. As Jiangsu Fasten Hongsheng Group Co., Ltd. holds 100% equity interest in Fasten Co., Ltd., the Fasten Group is therefore a connected persons of the Group at subsidiary level under the Listing Rules. The Past Continuing Connected Transactions with Fasten Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Predecessor CT Rules.

For details of transactions within the Past Continuing Connected Transactions and their Listing Rules implication based on the Predecessor CT Rules, please refer to the table on page 4 under the section headed "List of Past Continuing Connected Transactions".

## **INTRODUCTION**

### **Past Continuing Connected Transactions**

It has come to the attention of the Company that some transactions entered into between the Group and its controlling shareholder group, the Potevio Group, constitute continuing connected transactions of the Group. The Group has also purchased optical fiber preform from Sumitomo Electric Group, which is a connected person of the Group by virtue of them being a substantial shareholder of SEI Optical, a non-wholly owned subsidiary of the Company. Furthermore, upon consolidation of Putian Fasten JV as a non-wholly owned subsidiary of the Company in 2013, the Fasten Group and Jiangsu Fasten Company Limited became connected persons of the Group at subsidiary level as they both held more than 10% equity interest in Putian Fasten JV. Consequently, transactions between the Group and Fasten Group, Sumitomo Electric Group and/or Jiangsu Fasten Company Limited are continuing connected transactions of the Group.

### **Past Continuing Connected Transaction with Potevio Group**

The Potevio Group consists of companies involved in a full suite of fixed and mobile communication products and services. These products and services include solutions for communications, broadcasting, industrial informatization, financial electronics, and new energy industry areas. As a result, the Group frequently purchases and sells goods and services from and to the Potevio Group.

During the year ended 31 December 2013 and 2014, the Group purchased services and optical fiber amounting to RMB2,158.49 and RMB2,080,880.90, respectively, from the Potevio Group. While for the financial years ended 31 December 2012, 2013 and 2014, the Group sold optical fiber cable and base station equipment to the Potevio Group. The amount of optical cable and base station equipment sold for each of the financial years ended 31 December 2012, 2013 and 2014 were RMB10,701,448.38, RMB50,173,245.88 and RMB51,914,359.18, respectively. Aside from manufacturing and selling optical fibers and cables, the Group also trades various telecommunications equipment. As the Potevio Group also provide telecommunications services, it purchases wires, cables and other telecommunication products from the Group to fulfill any telecommunications installation projects that it secures.

### **Past Continuing Connected Transaction with Sumitomo Electric Group**

The Sumitomo Electric Group is a global conglomerate involved in various industries including automotive, infocommunications, electronics, environmental and energy, and industrial materials. As the Sumitomo Electric Group is one of the leaders in producing optical fiber preform in Japan, the Company has been purchasing optical fiber preform and paints from Sumitomo Electric Group to manufacture its optical fibers to ensure the finished products are of high standards. Furthermore, there is a higher demand of optical fiber preform in the PRC than the local suppliers can meet. During the financial years ended 31 December 2012, 2013 and 2014, the Group purchased optical fiber preform and paint products from Sumitomo Electric Group amounting to RMB79,087,777.87, RMB91,944,243.19 and RMB151,971,139.44, respectively.

### **Past Continuing Connected Transaction with Fasten Group**

As the consolidation of Putian Fasten JV as a non-wholly owned subsidiary of the Company occurred in 2013, only transactions occurring in 2013 and 2014 are deemed connected transactions of the Company. For the years ended 31 December 2013 and 2014, the Group purchased optical fiber preform, equipment, wooden drum and wires from the Fasten Group amounting to RMB140,806,000.54 and RMB107,357,547.67, respectively. The Group also sold certain optical fiber and optical cable to the Fasten Group amounting to RMB51,383,513.28 and RMB53,887,562.04 for the years ended 31 December 2013 and 2014, respectively. The Fasten Group is a major manufacturer of optical fiber preform who can provide a constant supply of optical fiber preform to Putian Fasten JV. As such, having a stable supplier in such a tight market is beneficial to Putian Fasten JV. The Fasten Group also has significant distribution channels for optical fiber, and therefore, the Group has taken advantage of these distribution channels to market its products, leading to significant sales to the Fasten Group.

The Group leases a manufacturing facility and machinery from the Fasten Group for the manufacturing of optical fiber and a property belonging to Fasten Group to be used as office. Aside from machinery and property, the Group also pays licensing fees to Fasten Group for the use of their patents. During the year ended 31 December 2013 and 2014, the total amount of leasing fee paid for usage of plant and machinery, patent and property amounted to RMB29,025,300.00 and RMB29,025,242.45, respectively.

For the years ended 31 December 2013 and 2014, the Group also provided loans to the Fasten Group. Loans together with interest accrued amounted to RMB125,803,545.60 were provided to members of Fasten Group, namely Fasten Group Limited and Jiangsu Fasten Hongsheng Group Co. Ltd., during the financial year ended 31 December 2013. For the year ended 31 December 2014, the total amount of loan with accrued interest provided by the Group to Fasten Group amounted to RMB176,019,166.67. Fasten Group has always been operating on a basis whereby excess cash in one subsidiary is used as internal loan to other subsidiaries of the Fasten Group. This allowed subsidiaries of the Fasten Group to earn interest higher than what it would earn if the excess cash is placed with commercial banks.

## LIST OF PAST CONTINUING CONNECTED TRANSACTIONS

The following table summarises the Past Continuing Connected Transactions of the Group, including the transaction nature, their highest applicable percentage ratio and the disclosure requirements:

	For the years ended 31 December			Applicable percentage ratios	Listing Rules requirements
	2012	2013	2014		
	<i>(in RMB million)</i>				
<b>Past Continuing Connected Transactions with Potevio Group</b>					
1. Purchase of optical fiber	—	0.002	2.1	below 0.1% (for 2013) 0.1% to 5% (for 2014)	exempted for 2013 and announcement only for 2014
2. Sales of optical fiber, optical cable and ancillary products	10.7	50.2	51.9	above 5%	announcement and independent shareholders' approval
<b>Past Continuing Connected Transactions with Sumitomo Electric Group</b>					
3. Purchase of optical fiber preform and paints	79.1	91.9	152.0	above 5%	announcement and independent shareholders' approval

		For the years ended 31 December			Applicable percentage ratios	Listing Rules requirements
		2012	2013	2014		
<i>(in RMB million)</i>						
<b>Past Continuing Connected Transactions with Fasten Group</b>						
4.	Purchases of optical fiber preform, wooden drums, wires and equipment	—	140.8	107.4	above 5%	announcement and independent shareholders' approval
5.	Sales of optical fiber and optical cable	—	51.4	53.9	above 5%	announcement and independent shareholders' approval
6.	Leases with Fasten Group	—	29.0	29.0	above 5%	announcement and independent shareholders' approval
7.	Loans to Fasten Group	—	125.8	176.0	above 5%	announcement and independent shareholders' approval

## PRICING BASIS AND PAYMENT TERMS

The Directors have reviewed the Past Continuing Connected Transactions and noted that the transactions contemplated under the Past Continuing Connected Transactions were all entered into under normal commercial terms. Prices of goods and services provided or purchased by the Group were negotiated on an arm's length basis based on existing market prices. Products such as optical preform, paints, optical fiber, optical cable, wires, and wooden drums, which has a readily available market were priced based on market prices with payment terms no less favourable than those available to the Group from independent third party suppliers and customers. Leases with Fasten Group were determined based on comparable property lease prices in the area of the factory with monthly payment for the leases. Interests on loans to Fasten Group were not lower than those published rates with similar tenure as stipulated by the People's Bank of China, with interest payment annually or semiannually depending on terms of the loans. Having reviewed the Past Continuing Connected Transactions, the Board is of the view that the Past Continuing Connected Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board, except for Mr. Zhang Xiaocheng who is a director of subsidiaries in Potevio Group, namely China Putian Houma Communications Co., Ltd. (侯馬普天通信電纜有限公司), Nanjing Gaoke Company Limited(南京高科股份有限公司) and Hangzhou HONYAR Electrical Co., Ltd. (杭州鴻雁電器有限公司), Mr. Wang Micheng who is a director of subsidiaries in Potevio Group, namely Hangzhou HONYAR Electrical Co., Ltd. (杭州鴻雁電器有限公司) and Putian Intelligent Lighting Research Institute Co., Ltd. (普天智能照明研究院有限公司), Mr. Cong Huisheng who is a director of subsidiaries in Potevio Group, namely Shanghai Putian Kechuang Electronics Co., Ltd. (上海普天科創電子有限公司) and Shanghai Potevio Co., Ltd. (上海普天郵通科技股份有限公司), Mr. Chen Ruowei and Mr.

Du Xinhua, who are directors of a subsidiary in Potevio Group, namely Wuhan PUTIAN Power Co., Ltd. (武漢普天電源有限公司), and Mr. Fan Xu who holds the position of equity investment and financing manager of investment and financing development department of China Potevio, who have abstained from voting on the Board resolution approving and ratifying the Past Continuing Connected Transactions with Potevio Group due to conflict of interests, has resolved to approve and ratify the Past Continuing Connected Transactions.

During the Board meeting on 12 May 2015, the Independent Board Committee came to agree with the views expressed by the Board that the Past Continuing Connected Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee has unanimously recommended that the Past Continuing Connected Transactions be approved and ratified to comply with the Listing Rules.

## **REASONS FOR THE PAST CONTINUING CONNECTED TRANSACTION**

The Group is a large conglomerate involved in the manufacturing and sale of optical fibers, wires and cables, import and export of materials required for the manufacturing of wires and cables, and other telecommunication products and accessories. Due to the intensive capital nature of the business, it is beneficial to the Group to cooperate with other players in the industry, especially internationally reputable manufacturers. Furthermore, due to the high demand of optical fiber preform, working with optical fiber preform manufacturers ensures that the Group will be able to obtain a constant supply without being subject to pressures from the suppliers. Therefore, in order to maintain their competitive edge, the Group utilizes products and materials from these internationally reputable manufacturers in order to produce quality products. Similarly, the Group sells their products to be used by these internationally reputable manufacturers to maintain their reputation as a supplier of established companies in the industry, as well as taking advantage of their distribution channels to widen the reach of the Group's products.

## **LISTING RULES IMPLICATIONS**

As the Past Continuing Connected Transactions of the Group occurred prior to the implementation of the amendments to Chapter 14A of the Listing Rules, the Predecessor CT Rules shall apply to the Past Continuing Connected Transactions.

China PUTIAN Corporation (中國普天信息產業集團公司) is the controlling shareholder of China Potevio, who in turn is the controlling shareholder of the Company since 1994 when the Company was listed on the Stock Exchange, holding 60% equity interest in the Company. Therefore, China Potevio and the Potevio Group are connected persons of the Group and transactions with China Potevio and the Potevio Group are connected transactions of the Company. The Past Continuing Connected Transactions with Potevio Group whose applicable percentage ratios that exceed 0.1% but are less than 5% are subject to the reporting, annual review and announcement requirements only, while those Past Continuing Connected Transactions with Potevio Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Predecessor CT Rules.

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

Fasten Co., Ltd. and Fasten Company each holds approximately 24.8% and 19% equity interest in Putian Fasten JV. Although the Company holds approximately 45% equity interest in Putian Fasten JV, the financial results of Putian Fasten JV are consolidated into the Group in 2013. Therefore, Putian Fasten JV is considered a non-wholly owned subsidiary of the Company. As Fasten Co., Ltd. and Fasten Company are substantial shareholders of Putian Fasten JV, Fasten Co., Ltd. and Fasten Company are connected persons of the Group at subsidiary level under the Listing Rules. As Jiangsu Fasten Hongsheng Group Co., Ltd. holds 100% equity interest in Fasten Co., Ltd., the Fasten Group is therefore a connected persons of the Group at subsidiary level under the Listing Rules. The Past Continuing Connected Transactions with Fasten Group whose applicable percentage ratios that exceed 5% are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under the Predecessor CT Rules.

The Past Continuing Connected Transactions between the Potevio Group and Sumitomo Electric Group has also occurred for many years prior to 2012. The Group has historically conducted transactions with the Potevio Group and Sumitomo Electric Group, in varying amounts, prior to the Company's listing in 1994 and prior to the establishment of SEI Optical, respectively. In view of the long historical transactions that the Group has conducted with the Potevio Group and Sumitomo Electric Group, the Company is of the view that the costly and time consuming nature of compiling a detail list of transactions over a prolonged historical period is not in the interest of the Company and Shareholders. While compiling the list of Past Continuing Connected Transactions prior to 2012 could provide more details of the transactions to Shareholders, these transactions details do not serve much purpose in decision making other than to inform the Shareholders. The Company is of the view that the historical transactions has already occurred and completed in the distant past, were all conducted on arm's length basis prices based on the then market prices and with internationally established corporations. Therefore, there is no meaningful purpose in compiling Past Continuing Connected Transactions prior to 2012

The Company has been listed on the Stock Exchange since 1994. Over the last 20 years, the Group's employees have changed significantly leading to a breakdown in communications within the Group, whereby the Past Continuing Connected Transactions were not properly communicated from the respective subsidiaries and associates to the corporate department of the Group. As a result, no one was aware of any non-compliance of the Past Continuing Connected Transactions that were occurring within the Group. Upon discovery of the Past Continuing Connected Transactions, the Company has taken immediate steps to rectify the deficiency with steps listed in the section headed "Remedial Steps Taken by the Company" below.

For details of transactions within the Past Continuing Connected Transactions and their Listing Rules implication based on the Predecessor CT Rules, please refer to the table on page 4 under the section headed “List of Past Continuing Connected Transactions”.

## **REMEDIAL STEPS TAKEN BY THE COMPANY**

Upon discovery of the Past Continuing Connected Transactions, the Company immediately collected information for all transactions between the Group and any potential connected persons of the Group, and attempt to quantify the amount of Past Continuing Connected Transactions that has occurred over the last 3 years. The list of Past Continuing Connected Transactions created based on information collected from subsidiaries of the Group was then presented to the Board.

During the Board meeting on 12 May 2015, the Independent Board Committee came to agree with the views expressed by the Board that the Past Continuing Connected Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee has unanimously recommended that the Past Continuing Connected Transactions be approved and ratified to comply with the Listing Rules.

In addition to the opinion expressed by the independent non-executive Directors that it was an arm’s length transaction because these transactions were made in the ordinary and usual course of business of the Group, and on normal commercial terms no less favourable to the Company, the Board have, on 12 May 2015, held a board meeting to ratify, confirm and approve the abovementioned Past Continuing Connected Transactions as they considered that the Past Continuing Connected Transactions were entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board also proposed that the Company take immediate remedial steps by appointing the audit and legal department to monitor the connected transactions within the Group, with annual review performed by the Audit Committee, to ensure that the Company complies with the Listing Rules in the future. Furthermore, the audit committee will undertake the responsibility of overseeing of the effective running of the department and will conduct annual review of continuing connected transactions in accordance with the Listing Rules.

Pursuant to Rule 14A.43 of the Predecessor CT Rules or Rule 14A.37 of the Listing Rules, the Company may apply to the Stock Exchange to waive the general meeting requirement and accept a written shareholders’ approval if no shareholder is required to abstain if a general meeting is held to approve the transaction and an approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights. As far as the Company is aware, there are no shareholders who would be required to abstain from voting on the Past Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group, and China Potevio, a controlling Shareholder holding 240,000,000 Domestic Shares (representing 60% of the entire issued share capital of the Company), has given its written approval to ratify the Past Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group. Therefore, the Company will seek confirmation from the Stock Exchange that independent shareholders’ approval for the Past Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group may be obtained



by means of written approval from China Potevio. As a result, the Independent Shareholders may only need to approve the Past Continuing Connected Transactions with Potevio Group at the proposed upcoming EGM.

## **GENERAL**

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

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

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

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

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

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

A circular containing, among other things, (i) the information relating to each of the Past Continuing Connected Transaction, (ii) the advice from the Independent Board Committee to the Independent Shareholders in respect of the Past Continuing Connected Transaction, (iii) the letter of advice from an independent financial adviser to the Independent Board Committee in respect of the Past Continuing Connected Transaction, and (iv) a notice of the EGM to be convened for the Independent Shareholders, to approve and ratify the transactions contemplated under the Past Continuing Connected Transaction with Potevio Group, is expected to be despatched to the Shareholders on or before 15 June 2015.

## DEFINITIONS

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

“associate(s)”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Potevio”	中國普天信息產業股份有限公司 (China Potevio Company Limited*), a company incorporated in the PRC with limited liability and the controlling shareholder of the Company, is a central state-owned enterprise and a wholly-owned subsidiary of China PUTIAN Corporation (中國普天信息產業集團公司)
“Company”	成都普天電纜股份有限公司 (Chengdu PUTIAN Telecommunications Cable Company Limited*), a sino-foreign joint stock company incorporated in the PRC with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares of the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving and ratifying, among other things, the Past Continuing Connected Transactions with Potevio Group only as independent shareholders’ approval for the Past Continuing Connected Transactions with Sumitomo Electric Group and Fasten Group may be obtained by means of written approval from China Potevio
“Fasten Co., Ltd.”	法爾勝集團有限公司 (Fasten Group Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Jiangsu Fasten Hongsheng Group Co., Ltd. (江蘇法爾勝泓升集團有限公司)

“Fasten Company”	江蘇法爾勝股份有限公司 (Jiangsu Fasten Company Limited*), a company incorporated in the PRC with limited liability and a subsidiary of Jiangsu Fasten Hongsheng Group Co. Ltd., whose shares are listed on the Shenzhen Stock Exchange (stock code: 00890). It is held approximately as to 21.07% by Jiangsu Fasten Hongsheng Group Co., Ltd. (江蘇法爾勝泓升集團有限公司) and is primarily engaged in the manufacture and sale of metal products and a small volume of optical communication business
“Fasten Group”	江蘇法爾勝泓升集團有限公司 (Jiangsu Fasten Hongsheng Group Co., Ltd.*), a company incorporated in the PRC with limited liability, and its subsidiaries
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas-listed foreign shares in the ordinary share capital of the Company, with a RMB denominated par value of RMB1.00 each
“Independent Board Committee”	an independent committee of the Board comprising Mr. Choy Sze Chung, Jojo, Mr. Li Yuanpeng and Mr. Xiao Xiaozhou (being all independent non-executive Directors) to advise the Independent Shareholders in respect of the Past Continuing Connected Transactions, and the transactions contemplated thereunder
“Independent Shareholders”	any Shareholders, other than those Shareholders, if any, with a material interest in the Past Continuing Connected Transactions
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Past Continuing Connected Transactions”	the continuing connected transactions of the Group that occurred with Potevio Group, Sumitomo Electric Group and Fasten Group during the years ended 31 December 2012, 2013 and 2014
“Potevio Group”	中國普天信息產業集團公司 (China PUTIAN Corporation*) and its subsidiaries but excluding the Group
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Predecessor CT Rules”	the rules as stipulated within the Chapter 14A of the Listing Rules prior to 1 July 2014
“Putian Fasten JV”	普天法爾勝光通信有限公司 (Putian Fasten Cable Telecommunication Co. Ltd.*), a joint venture company established as a limited liability company in the PRC and primarily engaged in the manufacturing of optical fiber, optical cable and related products
“RMB”	Renminbi, the lawful currency of the PRC
“SEI Optical”	成都中住光纖有限公司 (Chengdu SEI Optical Fiber Co., Ltd.*), a joint venture company established as a limited liability company in the PRC between the Company and Sumitomo Electric with equity interest of 60% and 40%, respectively
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“Sumitomo Electric”	Sumitomo Electric Industries, Ltd., a limited liability company incorporated in Japan whose shares are listed on the Tokyo Stock Exchange (Stock code: 5802)
“Sumitomo Electric Group”	Sumitomo Electric and its subsidiaries
“%”	per cent.

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

Chengdu, the PRC, 12 May 2015

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

\* For identification purposes only