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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 2019, the Group is expected to record a significant increase in net loss attributable to the owners of the Company, from a net loss of approximately RMB15.0 million for the year ended 31 December 2018 to a net loss of approximately RMB53.4 million for the year ended 31 December 2019.

Based on the information currently available to the Board, such net loss attributable to the owners of the Company for the year ended 31 December 2019 was primarily due to the following factors:

- i. due to the decrease in the domestic unit price of optical fibers and the decline in sales volume of the Group during the year ended 31 December 2019, the Group is expected to record a decrease of approximately 26.9% in its operating revenue for the year ended 31 December 2019 (i.e. approximately RMB449.3 million) as compared to that for the corresponding period of the year ended 31 December 2018 (i.e. approximately RMB614.6 million), and substantial decreases in its gross profit and gross profit margin (i.e. approximately RMB18.7 million and 4.2% respectively) as compared to the corresponding period of the year ended 31 December 2018 (i.e. approximately RMB143.0 million and 23.3% respectively); and

- ii. the Group is expected to record a substantial increase in its investment loss for the year ended 31 December 2019 (i.e. approximately RMB11.1 million) as compared to the investment loss for the year ended 31 December 2018 (i.e. approximately RMB0.2 million) due to the decline in the performance of Putian Fasten Cable Telecommunication Co., Ltd. (an associate of the Group), as a result of the decrease in the domestic unit price of optical fibers.

The information contained in this announcement is based on a preliminary assessment made by the Board after considering the information currently available (i.e. the Group's unaudited management accounts for the year ended 31 December 2019) and is not based on any financial data or information that has been audited by the auditors or reviewed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the final results announcement for the year ended 31 December 2019, which is expected to be published by the end of March 2020.

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, 3 March 2020

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

Executive Directors:

Mr. Wu Changlin (Chairman)
Mr. Hu Jiangbing (Vice Chairman)
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