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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 with limited liability)

(Stock Code:1202)

2007 INTERIM RESULTS ANNOUNCEMENT

SUMMARY

- The Group recorded a turnover of RMB292,953,000 for the Period, representing an increase of approximately 15.35% as compared to the corresponding period last year.

- During the Period, sales of copper cables and related products amounted to RMB217,417,000, representing an increase of approximately 8.97% as compared to the corresponding period last year. Sales of optical fibres by Chengdu SEI Optical Fibre Co., Ltd ("SEI"), a principal subsidiary of the Company, amounted to RMB52,110,000, representing an increase of approximately 77.32% as compared to the corresponding period last year. Sales of optical fibre cables by the Group's principal associated company, Chengdu CCS Optical Fibre Cable Co., Ltd ("CCS"), amounted to RMB130,116,000, representing an increase of approximately 21.96% as compared to the corresponding period last year.

- During the Period, profit attributable to shareholders of the Company was RMB45,264,000, as compared to a loss of RMB14,623,000 recorded for the corresponding period last year.

- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2007.

The board of directors (the "Board") of Chengdu PUTIAN Telecommunications Cable Company Limited (the "Company") announced the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2007 (the "Period") in accordance with the accounting principles generally accepted in the Hong Kong Special Administrative Region ("Hong Kong") of the People's Republic of China (the "PRC").Such unaudited interim results have been reviewed and confirmed by the audit committee of the Company (the "Audit Committee").

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Notes	**Six months ended 30 June** **2007** *RMB'000* **(Unaudited)**	2006 *RMB'000* (Unaudited)
Turnover	3	**292,953**	253,978
Cost of sales		**(243,206)**	(218,311)
Gross profit		**49,747**	35,667
Gain on disposal of prepaid lease payments on land use rights		**65,248**	—
Other income		**3,485**	3,681
Distribution costs		**(17,738)**	(19,917)
Administrative and other expenses		**(36,711)**	(27,132)
Finance costs		**(2,428)**	(3,473)
Share of results of associates		**(760)**	(5,275)
Profit (loss) before tax		**60,843**	(16,449)
Income tax (expense) credit	4	**(10,536)**	1,573
Profit (loss) for the period	5	**50,307**	(14,876)
Attributable to:			
Equity holders of the Company		**45,264**	(14,623)
Minority interests		**5,043**	(253)
		50,307	(14,876)
Interim dividend	6	**—**	—
Basic earnings (loss) per share		**RMB0.1132**	(RMB0.0366)

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2007

	NOTES	**30.6.2007**	31.12.2006
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		**141,240**	159,454
Prepaid lease payments on land use rights		**20,023**	20,332
Construction in progress		**104,344**	69,125
Interests in associates		**141,889**	142,649
Available-for-sale investments		**2,728**	2,728
Long-term prepayments		**23,194**	22,821
Long-term receivable	7	**—**	—
		433,418	417,109
Current assets			
Inventories		**172,177**	156,754
Trade and bills receivables	8	**169,388**	137,601
Prepaid lease payments on land use rights		**708**	708
Prepayments, deposits and other receivables		**62,688**	20,155
Available-for-sale investments		**43,400**	—
Amounts due from associates		**6,725**	5,417
Amounts due from related companies		**4,609**	2,440
Bank deposits, balances and cash		**182,656**	361,802
		642,351	684,877
Assets classified as held for sale		**18,822**	23,531
		661,173	708,408

Current liabilities			
Trade and bills payables	9	**79,058**	62,011
Other payables and accrued charges		**51,049**	97,589
Deposits for staff quarters		**21,281**	19,368
Amounts due to associates		**18,196**	23,889
Tax liabilities		**8,612**	8,809
Bank and other borrowings - due within one year		**21,043**	54,493
		199,239	266,159
Net current assets		**461,934**	442,249
Total assets less current liabilities		**895,352**	859,358
Capital and reserves			
Share capital		**400,000**	400,000
Reserves		**365,380**	320,116
Equity attributable to equity holders of the Company		**765,380**	720,116
Minority interests		**97,457**	94,014
Total equity		**862,837**	814,130
Non-current liabilities			
Bank and other borrowings – due after one year		**32,515**	45,228
		895,352	859,358

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash (used in) generated from operating activities	**(97,811)**	31,877
Net cash used in investing activities	**(31,002)**	(20,807)
Net cash used in financing activities	**(50,191)**	(26,046)
Net decrease in cash and cash equivalents	**(179,004)**	(14,976)
Cash and cash equivalents at beginning of the period	**344,758**	89,403
Cash and cash equivalents at end of the period, representing bank balances and cash	**165,754**	74,427

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2007

1. GENERAL

The Company is a sino-foreign joint stock limited company established in The People's Republic of China (the "PRC"). Its ultimate holding company is China PUTIAN Corporation ("China PUTIAN"), a state-owned enterprise established in the PRC.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its subsidiaries (the "Group").

The addresses of the registered office and principal place of business of the Company are No. 2 Zijing West Road, Hi-Tech Development Zone, Chengdu, Sichuan Province, the PRC.

The Group are principally engaged in the manufacture and sale of various types of telecommunication cables (including different types of copper cables and optical fibre cables), optical fibres, cable joining sleeves, as well as equipment, manufacturing parts and materials for the production of cables.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") No.34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial statements have been prepared under the historical costs basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current period, the Group had applied for the first time, a number of new standards, amendments, and interpretations ("new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group:

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int-11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC)-Int-12	Service Concession Arrangements[3]

1 Effective for annual periods beginning on or after 1 January 2009.
2 Effective for annual periods beginning on or after 1 March 2007.
3 Effective for annual periods beginning on or after 1 January 2008.

3. BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

For management purposes, the Group is currently organised into three main operating segments, manufacture and sale of copper cable and related products, optical fibre and related products and cable joining sleeves and related products.

These divisions are the basis on which the Group reports its primary segment information.

Segment information for the six months ended 30 June 2007 and 2006 about these businesses is presented below:

	Six months ended 30 June 2007 (Unaudited)					
	Manufacture and sale of copper cable and related products	Manufacture and sale of optical fibre and related products	Manufacture and sale of cable joining sleeves and related products	Other Operations	Elimination*	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT TURNOVER						
External turnover	**217,417**	**52,110**	**23,426**	**—**	**—**	**292,953**
Inter-segment turnover	**65**	**—**	**17**	**—**	**(82)**	**—**
Total turnover	**217,482**	**52,110**	**23,443**	**—**	**(82)**	**292,953**
SEGMENT RESULT	**(17,583)**	**10,098**	**3,676**	**—**	**—**	**(3,809)**
Unallocated income						**67,840**
Finance costs	**(2,099)**	**(329)**	**—**	**—**	**—**	**(2,428)**
Share of results of associates	**(28)**	**(1,393)**	**—**	**661**	**—**	**(760)**
Profit before tax						**60,843**
Income tax expense						**(10,536)**
Profit for the period						**50,307**

	Six months ended 30 June 2006 (Unaudited)					
	Manufacture and sale of copper cable and related products	Manufacture and sale of optical fibre and related products	Manufacture and sale of cable joining sleeves and related products	Other Operations	Elimination*	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT TURNOVER						
External turnover	199,527	29,387	25,064	—	—	253,978
Inter-segment turnover	8,021	—	—	—	(8,021)	—
Total turnover	207,548	29,387	25,064	—	(8,021)	253,978
SEGMENT RESULT	(7,522)	555	(2,159)	—	—	(9,126)
Unallocated other income						1,425
Finance costs	(3,283)	(190)	—	—	—	(3,473)
Share of results of associates	(472)	(4,626)	—	(177)	—	(5,275)
Loss before tax						(16,449)
Income tax credit						1,573
Loss for the period						(14,876)

* The inter-segment transactions were carried at estimated fair market price or, where no market price was available, at cost plus a percentage profit mark-up.

All of the activities of the Group are based in the PRC and all of the Group's turnover and results are derived from the PRC.

4. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The income tax expense (credit) comprises:		
PRC income tax		
Provided for the period	**11,746**	98
Over-provision in prior periods	**(1,210)**	(1,671)
	10,536	(1,573)

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group's income neither arises in, nor is derived from, Hong Kong.

The Company had been recognised as a technologically advanced enterprise by relevant authorities since 1994. Pursuant to the Income Tax Laws concerning technologically advanced enterprise in Chengdu, the State Tax Authority in Chengdu approved the Company to entitle the reduced state enterprise income tax rate of 18% (2006: 18%).

PRC income tax is calculated at 13% to 33% (2006 : 13% to 33%) of the estimated assessable profit for the period.

5. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2007	2006
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit (loss) for the period has been arrived at after charging (crediting) :		
Reversal of provision on inventories	**(453)**	(49)
Provision for doubtful debts	**1,323**	(1,317)
Loss on disposal of property, plant and equipment	**3**	—
Impairment loss on property, plant and equipment	**—**	12
Depreciation of property, plant and equipment	**8,720**	10,103
Amortisation of prepaid lease payments on land use rights	**309**	309
Interest income	**(1,400)**	(912)

6. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for six months ended 30 June 2007 (2006 : Nil).

7. LONG-TERM RECEIVABLE

	30.6.2007	31.12.2006
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
The amount represents:		
Amounts due from a former minority shareholder of Dongguan CDC Cable Factory ("Dongguan CDC") *(Note)*	**23,770**	23,770
Less: Allowance	**(23,770)**	(23,770)
	—	—

Note: The amount represents receivable due from a former minority shareholder of Dongguan CDC, a subsidiary of the Company, which is interest-free and unsecured. As at 31 December 2002, the repayment of the amount was guaranteed by China PUTIAN. On 31 December 2003, the guarantee was withdrawn by China PUTIAN. In the opinion of directors of the Company, the amount due from the former minority shareholder of Dongguan CDC is irrecoverable. An allowance of RMB23,770,000 was recognised in the consolidated income statement in previous years.

8. TRADE AND BILLS RECEIVABLES

	30.6.2007	31.12.2006
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade and bills receivables	**263,035**	232,935
Less: Impairment	**(93,647)**	(95,334)
	169,388	137,601

The Group allows an average credit period of 120 days to its trade customers. The following is an aged analysis of trade and bills receivables net of impairment loss at the balance sheet date.

	30.6.2007	31.12.2006
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**122,504**	97,409
91 - 180 days	**16,706**	21,201
181 - 365 days	**22,273**	18,991
Over 365 days	**7,905**	—
	169,388	137,601

The fair value of the Group's trade and bills receivables at the balance sheet date was approximated to the corresponding carrying amount.

9. TRADE AND BILLS PAYABLES

	30.6.2007	31.12.2006
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
An aged analysis of trade and bills payables is as follows :		
Within 90 days	**52,689**	40,134
91 - 180 days	**18,421**	13,954
181 - 365 days	**4,873**	5,208
Over 365 days	**3,075**	2,715
	79,058	62,011

The fair value of the Group's trade and bills payables at the balance sheet date was approximated to the corresponding carrying amounts due to its short-term maturities.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (No interim dividends were paid for the six months ended 30 June 2006).

MANAGEMENT DISCUSSION AND ANALYSIS

(1) ANALYSIS OF THE RESULTS

During the Period, the principal products of the Group were plastic urban telephone cables(“Plastic Cables”), program-controlled telephone exchange system cables (“Program-controlled Cables”), cable joining sleeves, optical fibres, and mobile telecommunication cables, etc.

During the period, the Group recorded a total turnover of RMB292,953,000, representing an increase of approximately 15.35% from RMB253,978,000 of the corresponding period last year. Among others, the turnover of Plastic Cables, Program-controlled Cables and cable joining sleeves were RMB68,084,000, RMB18,129,000 and RMB23,426,000 respectively, representing a decrease of approximately 4.79%, 23.73% and 6.54% from the corresponding period last year; and the turnover of optical fibres and mobile telecommunication cables were RMB52,110,000 and RMB67,143,000 respectively, representing an increase of approximately 77.32% and 33.03% from the corresponding period last year.

During the Period, profit attributable to shareholders of the Company was RMB45,264,000, as compared to a loss of RMB14,623,000 recorded for the corresponding period in 2006.

During the Period, the Company received RMB83,000,000 proceeds from the disposal of a land use right (details of this transaction had been set out in the Company’s circular dated 25 December 2005) and realised a profit of approximately RMB65,248,000 after deducting relevant cost. No proceeds from disposal of land use right were received for the corresponding period of last year.

(2) REVIEW OF PRINCIPAL OPERATIONS

The Board had proactively adjusted the production and operation strategies in response to internal and external environment of the Group and market demand. The major business activities of the Group during the Period are summarized as follows:

1. Construction in the western district and relocation of the Company. During the Period, the whole project of Chengdu industrial base of China Putian progressed smoothly. The construction of production facilities in Phase I was completed with all factories premises constructed. The construction of office building and canteen are expected to be completed in September 2007. As for Phrase II (SEI), its main structure was also completed.

   Chengdu MCIL Radio Communications Cable Co., Ltd. ("Chengdu MCIL") had stopped production for relocation since 21 December 2006 and resumed one production line in the new factory area on 26 January 2007 and all production lines on 7 February 2007. Plastic production lines and program-controlled production lines in the Headquarters of the Company ceased production for relocation on 18 January 2007. Trial production for the working procedures for twisting and cabling of program-controlled cables commenced in the new factory area on 8 May 2007 and the normal production was resumed at the end of May 2007. Furthermore, in February 2007, the Company started three production lines in Wenjiang for production of plastic cables and commenced production of insulated wire for Program-controlled Cables in the production area of Wenjiang at the beginning of May 2007.

2. Adjustment in production and operation. To ensure timely supply for customers during the relocation period, the Company engaged other companies with OEM for its products and outsourced some working procedures for production of its products to other companies. Also, the Company commenced the production in Wenjiang production area in time and started the relocated and adjusted working procedures for production in a timely manner. Through various proactive efforts of the Company the impact from suspension of production due to relocation on product supply had been minimised.

3. Internal reform of the Company. Relevant departments of the Company have been formulating proposals such as reform on human resources structure, institutional adjustment, designation of positions and establishments as well as distribution and allocation of personnel and the proposals will be implemented gradually. Meanwhile, the Company had handled matters concerning retirement in advance for over 200 staff engaged in toxic and harmful works based on the personnel distribution proposal and in accordance with relevant regulations of the state.

4. Technology Development. The cart irradiation test for the locomotive cables was completed. Some continuous irradiation tests were carried out while the application for 3C certification registration was made and the sample product printing was completed. As for the Program-controlled Cable SBYVP cable, the preparation of structure form, technical requirements and proposal for working procedures test were completed. The inquiry draft on amendments to Standard YD/T 818 was completed. The final draft for approval on the standard of coaxial cable with sleek copper (aluminium) tube outer conductor project was completed and is currently in the notification period. The survey to extremely fine coaxial project equipment was made and the feasibility report was amended.

5. Investment Management. The Company strengthened the supervision of corporate heads assigned by the Company to various joint ventures and associated companies and enhanced its management over the corporate records and data of these companies. Meanwhile, the Company collated and categorised the financial statements and operation information of all the joint ventures and associated companies on a timely manner, based upon which analysis reports on economic benefits were made.

(3) FINANCIAL ANALYSIS

As at 30 June 2007, the Group's total assets amounted to RMB1,094,591,000, representing a decrease of approximately 2.75% from RMB1,125,517,000 as at the end of last year. In particular, non-current assets of the Group amounted to RMB433,418,000, accounting for approximately 39.60% of the total assets of the Group and representing an increase of approximately 3.91% from RMB417,109,000 as at the end of last year. Current assets of the Group amounted to RMB661,173,000 as at 30 June 2007, accounting for approximately 60.40% of its total assets and representing a decrease of approximately 6.67% from RMB708,408,000 as at the end of last year.

The net cash outflow from operating activities of the Group during the Period amounted to RMB97,811,000 while the net cash inflow for the corresponding period of last year was RMB31,877,000.

As at 30 June 2007, the Group's bank balances and cash (including pledged bank deposits)amounted to RMB182,656,000, representing a decrease of approximately 49.51% from RMB361,802,000 as at the end of last year.

As at 30 June 2007, the Group's total liabilities amounted to RMB231,754,000 (as at 31 December 2006: RMB311,387,000). The liability to asset ratio was approximately 21.2%, representing a decrease of approximately 6.5% as compared to 27.7% as at the end of last year. Short term bank loans due within one year amounted to RMB21,043,000, representing a decrease of approximately 61.38% from RMB54,493,000 as at the end of last year.

During the Period, the Group did not arrange other fund-raising activities.

During the Period, distribution costs, administrative and other operating expenses and finance costs amounted to RMB17,738,000, RMB36,711,000 and RMB2,428,000 respectively, representing a decrease of approximately 10.94%, an increase of approximately 35.31% and a decrease of approximately 30.09% from RMB19,917,000, RMB27,132,000 and RMB3,473,000 respectively of the corresponding period of last year.

During the Period, the average gross profit margin of the Group was 16.98%, representing an increase of approximately 2.94% from 14.04% of the corresponding period last year.

During the Period, the trade receivables and inventories of the Group amounted to RMB169,388,000 and RMB172,177,000 respectively, representing an increase of approximately 23.10% and 9.84% respectively from RMB137,601,000 and RMB156,754,000 respectively as at the end of last year.

1. *Analysis of liquidity*

   As at 30 June 2007, the Group's liquidity ratio and quick ratio were approximately 331.80% and approximately 245.39% respectively. Taking into account of the overall characteristics of the industry and the existing market conditions, the directors of the Company consider that the above financial information indicated that the liquidity of the Group was at the average level and the Group had a relatively good liquidity and debt repayment ability. However, it is considered that there can be further improvement of such ratios and the Company will focus on its work and make an effort in achieving this.

2. *Analysis of financial resources*

   As at 30 June 2007, the Group's short-term bank loan amounted to RMB19,300,000. The Group had adequate bank and cash balances of RMB182,656,000 after repayment of the said instalment, thus, the directors of the Company consider that the Group's risk in short-term repayment was low.

As at 30 June 2007, the balance of a long-term loan for the purchase of accelerators from France amounted to RMB13,058,000 (equivalent to Euro1,276,000) of which the banking credit facility amounted to RMB2,006,000 (equivalent to Euro196,000) at an interest rate of 7.35% per annum, and the French government secured bank loan amounted to RMB11,052,000 (equivalent to Euro1,080,000) at an interest rate of 0.5% per annum. Given the fluctuations in the exchange rate of US Dollar on the international foreign exchange market, the directors of the Company consider that there are certain exchange risks involved in the Euro loans. The two long-term loans are payable by instalments with a maximum repayment term of 36 years as from 1997. As the balance of long-term loans was not substantial, the directors of the Company consider that it does not have any substantial impact on the operation of the Group.

3. Capital structure of the Group

The Group's capital was derived from bank and other loans, proceeds from the issuance of shares in the Company, corporate profit and proceeds from the disposal of the land use rights of the Company. The use of proceeds was strictly in compliance with the legal requirements. In order to ensure the proper utilization of capital, the Group enhanced its stringent financial management system. The Group also endeavoured to avoid risks and to improve its return on investments. During the Period, due loans and obligations were repaid and performed in accordance with the relevant contractual terms.

(4) BUSINESS PROSPECTS

1. Ensuring a smooth overall relocation. Construction of the new headquater has been basically completed while efforts will be made to relocate the office of the Company prior to the end of the year, to ensure a full restoration of all production lines of the Company to their normal state. The relocation of SEI (中住光纖公司) will take place as scheduled in the second half of this year.

2. Facilitating corporate reform. Leveraging on its relocation, the Company will implement internal reforms, adjust its management process, and rearrange certain institutions, departments and employees based on key performance appraisal indicators (KPI) and its demand for the entire budget management.

3. Continuing improvement to its internal control system. The Company will continue to improve its internal control and management system to assure the reliability of financial reports, the stability of operation outcome and the consistent implementation of the current laws and regulations. As a continous goal of corporate management, the Company will improve the internal control system in line with its development in order to ensure an effective implementation of all management systems in terms of job allocation and workflow.

4. Expanding marketing and sales. After completion of relocation of the Company and restoration of normal production and operation, the Company will strengthen the existing sales channels, increase its effort in investing in and exploring new markets and develop new customer base. By understanding market development trends and the change in customers' needs, a complete customer database will be set up under which the classification and management of the data of the customers can be standardized and regulated. The sales team will be expanded and sales personnel with unsatisfactory performance will not be retained.

5. Focusing on financial management. Asset management will be strengthened to ensure the security of corporate assets and to ensure that no bad debts will be incurred. Budget formulated in the beginning of the year will be strictly followed with an aim to ensure that the plan can be completed. Coupled with a better management of corporate cash flow so as to ensure supply of funding for production and operations, it is expected that the gains of outstanding capital in the Company will be maximised. The Company will closely control significant matters such as providing external guarantees and borrowings.

6. Strengthening investment management. The Company will improve the management of its joint venture companies and associated companies, participate in significant matters such as changes of equity interest and investment decisions of such joint venture companies and associated companies, and oversee budget execution according to the budgeted indicators formulated in the beginning of the year. An accountability system for the person in charge will be implemented according to KPI examination system, coupled with the set up of a platform for the smooth flow of information aiming at improving the exchange of information.

USE OF PROCEEDS

The Group raised approximately HK$424,000,000 through the issue of 160,000,000 H shares in December 1994. From the date of listing to 30 June 2007, the Company had used a total of approximately HK$373,429,000, of which HK$84,360,000 was used in investment projects and HK$289,069,000 was used for debt repayment and working capital.

The balance of unutilised proceeds amounted to approximately HK$50,571,000 which is deposited with banks in the PRC in Hong Kong Dollar and Renminbi.

OVERDUE TIME DEPOSITS

The Company had no other deposits or trust deposits with non-banking financial institutions, or time deposits which could not be withdrawn on maturity as at 30 June 2007.

Although the principal of a deposit of RMB30,000,000 with China Leasing Company Limited ("China Leasing") had been written off as a provision for bad debt as approved in the 2000 annual general meeting of the Company, the Company had not given up to recover the amount. During the Period, the Company still continued to demand China Leasing for the repayment of such deposit.

SALE OF STAFF QUARTERS

1. Deferred expenses on staff quarters prior to 1998 had been dealt with in the Group's financial report for the year 2000.

2. The Company approved a new program for raising funds from its employees to construct staff quarters during the year 2006. As at 30 June 2007, a total of prepaid deposits of RMB21,281,000 was received from the employees. As the raising of funds was completed, the Group will sell all its property rights in the staff quarters to its staff.

UNIFIED INCOME TAX AND CANCELLATION OF LOCAL GOVERNMENT"S TAX REBATE

The Company is incorporated as a Hi-Tech enterprise in the Hi-Tech Development Zone in Chengdu (the "Hi-Tech Zone"), Sichuan Province, the PRC. According to the current policy of the State Administration of Taxation, the Company enjoys and pays income tax at a preferential rate of 18% (2006:18%). The Company is not entitled to any income tax rebate.

Foreign investment enterprises in Sichuan Province are required to pay a local income tax rate since 1 January 2006 in compliance with the Notice on Termination of Preferential Local Income Tax Enjoyed by Foreign Investment Enterprises promulgated by Sichuan Provincial Department of the State Tax Bureau (Chuan Guo Shui [2006] Circular No.40). Therefore, the Company was no longer entitled to enjoy the local preferential tax rate of 3% since 1 January 2006. Accordingly, the preferential tax rate entitled by the Company is 18%.

During the fifth session of the 10th National People's Congress held on 16 March 2007, PRC Corproate Income Tax Law (the "New Corporate Income Tax Law") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes including but not limited to the unification of income tax rate from domestic and foreign invested enterprises at 25%.

The interim financial combined statements have been delivered to the Board for approval. The specific rules of implementation, calculation method and the preferential policies of the New Corporate Income Tax Law have not yet been announced. The Company will pay attention to the impact of changes in tax rate on the Group when any specific rules of implementation is promulgated.

SHAREHOLDING AND CHANGE OF SHARE CAPITAL STRUCTURE

1. Share capital structure

During the Period, the Company had not made any arrangements for bonus issue, placing of shares or issue of new shares of the Company. During the Period, there was no change in the Company's total number of shares and share capital structure. The issued share capital of the Company remained as RMB400,000,000 divided into 400,000,000 shares with a par value of RMB1.00 each, comprising 240,000,000 state-owned legal person shares and 160,000,000 overseas listed foreign shares ("H Shares"), representing 60% and 40% of the total issued share capital of the Company respectively.

2. Shareholdings of substantial shareholders

As at 30 June 2007, the largest shareholder of the Company was China Potevio Company Limited ("China Potevio"), holding 240,000,000 issued state-owned legal person shares, representing 60% of the total issued share capital of the Company. At the beginning of the Period, HKSCC Nominees Limited ("HKSCC") held 156,992,998 H Shares of the Company, representing 39.25% of the total issued share capital of the Company. At the end of the Period, HKSCC held 157,770,998 H Shares, representing 39.44% of the total issued share capital of the Company.

Saved as disclosed in this section, there were no interests or short positions in the shares or underlying shares of the Company recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance (cap. 571 of the Laws of Hong Kong) ("SFO"). Saved as disclosed in this section, during the Period, the Board was not aware of any person holding any interests or short positions in shares or underlying shares of the Company which are required to be disclosed pursuant to the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) ("SFO").

As shown in the register of substantial shareholders of the Company maintained under Section 336 of the SFO, the Company has been notified by shareholders of the Company holding 5% or more of the Company's H Shares. These are interests other than those held by directors (the "Directors"), supervisors (the "Supervisors") and chief executive officers of the Company (if any) which have already been disclosed.

As indicated by HKSCC, as at 30 June 2007, the following Central Clearing and Settlement System ("CCASS") participants held 5% or more of the total issued H Shares of the Company:

CCASS participant	Number of H Shares held at the end of the Period	Percentage of H Shares
The Hong Kong & Shanghai Banking Corporation Ltd.	24,072,000	15.04%
Bank of China (Hong Kong) Ltd.	18,384,000	11.49%

Save as disclosed above, as at 30 June 2007, the Company was not aware of any shareholding interests which are required to be disclosed pursuant to the SFO. The Board was not aware of any person holding, directly or indirectly, 5% of more of the interests in the issued H Shares.

3. Shareholdings of directors and supervisors

As at 30 June 2007, none of the Directors, Supervisors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or which were otherwise required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

4. Sufficient Public Float

According to public information available to the Company and to the knowledge of each Director, the Company confirmed that the public held sufficient shares during the Period and as at the latest practicable date prior to the publishing of this announcement.

5. Purchase, sale and redemption of listed securities

During the Period, none of the Company's listed securities was purchased, sold, redeemed or cancelled by the Company or any of its subsidiaries.

6. Convertible securities, share options, warrants and similar instruments

During the Period, the Company did not issue any convertible securities, share options, warrants or similar instruments.

SIGNIFICANT EVENTS

1. Change of Company Secretary

Mr. Mok Chung Kwan Stephen, had resigned from the position of company secretary of the Company due to personal reasons. As resolved by the fourth meeting of the fifth Board on 20 April 2007, Mr. Ngai Wai Fung was appointed as the new company secretary.

2. Change of Address of Principal Place of Business in Hong Kong

The address of the principal place of business of the Company in Hong Kong has been changed to 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong with effect from 20 April 2007.

The new telephone and fax number are:

Tel: (852) 3589 8899
Fax: (852) 3589 8555

AUDIT COMMITTEE

Mr. Choy Sze Chung, Jojo, Mr. Wu Zhengde and Mr. Li Yuanpeng, the independent non-executive Directors of the Company, are members of the Audit Committee.

The Audit Committee is responsible for conducting the review of the Company's internal controls and financial reports and it has reviewed the unaudited interim report of the Company for the six months ended 30 June 2007.

The Audit Committee considers that the 2007 interim financial statements of the Group comply with the requirement of applicable accounting standards and laws and the Company has made appropriate disclosure accordingly.

MATERIAL LITIGATION

During the Period, to the best knowledge of the Board, none of the Company or other members of the Group was involved in any material litigation or arbitration.

EXTRAORDINARY GENERAL MEETING

No extraordinary general meeting of the Company was held during the Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is of opinion that the Company had complied with all the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules during the Period. None of the Directors is aware of any information that would reasonably indicate that the Company is not or was not for any time during the Period in compliance with the Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as code of conduct for securities transactions by all Directors.

After making specific enquiries to the Directors, the Board is pleased to confirm that all Directors have fully complied with the Model Code during the Period.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the website of HKEX at http://www.hkex.com.hk under "Latest Listed Company Information" and the website of the Company at http://www.putian.wsfg.hk. The 2007 interim report will be despatched to shareholders and published on the HKEX's website and the Company's website.

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

Executive Directors:	Mr. Zhang Xiaocheng (Chairman), Mr. Kuo Aiching, Mr. Zheng Jianhua, Mr. Li Tong, Mr. Jiang Kun and Mr. Xiong Siyun
Independent Non-executive Directors:	Mr. Choy Sze Chung, Jojo, Mr. Wu Zhengde and Mr. Li Yuanpeng

By Order of the Board
Chengdu PUTIAN Telecommunications Cable Company Limited
Zhang Xiaocheng
Chairman

Chengdu, the PRC, 16 August 2007

* *For identification purposes only*