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 with limited liability)

(Stock Code: 1202)

2011 INTERIM RESULTS ANNOUNCEMENT

SUMMARY

- The Group recorded a turnover of RMB254,987,674.83 for the six months ended 30 June 2011 (the "Period"), representing an increase of approximately 0.22% as compared to the corresponding period last year.

- During the Period, sales of copper cables and related products amounted to RMB166,864,674.24, representing an increase of approximately 4.56% as compared to the corresponding period last year. Sales of optical fibres by Chengdu SEI Optical Fiber Co., Ltd., a principal subsidiary of the Company, amounted to RMB64,448,714.41, representing an increase of approximately 14.37% as compared to the corresponding period last year. Sales of heat shrinkable joining sleeves and other products by Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant amounted to RMB23,674,286.18, representing a decrease of approximately 38.50% as compared to the corresponding period last year.

- During the Period, loss attributable to the shareholders was RMB35,626,580.61, as compared to a loss of RMB18,375,365.26 recorded for the corresponding period last year. Profit attributable to minority shareholders was RMB971,066.26, as compared to a profit of RMB4,675,708.22 for the corresponding period last year.

- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011.

The board of directors (the "Board") and the directors ("Directors") 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 2011 (the "Period") prepared in accordance with the disclosure requirements set out in the Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants are set out as follows:

CONSOLIDATED BALANCE SHEET

FOR THE SIX MONTHS ENDED 30 JUNE 2011

Monetary unit: RMB

Item	*Note*	**End of period**	Beginning of period
Current assets:			
Cash and bank balances	(5)	**241,414,655.61**	289,139,050.33
Reserved deposits			
Loans to other banks			
Transactional financial assets			
Bills receivable		**27,272,856.15**	10,564,368.50
Accounts receivable		**163,048,882.19**	141,541,058.85
Prepayments		**11,806,586.07**	21,677,335.42
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance accounts receivable reserve			
Interest receivable			
Dividends receivable			
Other receivables		**37,016,107.24**	101,589,255.80
Put option			
Inventories		**250,946,063.92**	229,395,521.98
Current Portion of non-current assets			
Other current assets		**15,000,000.00**	
Total current assets		**746,505,151.18**	793,906,590.88

Item	*Note*	**End of period**	Beginning of period
Non-current assets:			
Loans to others and payment on behalf			
Available-for-sale financial assets		**20,485,296.00**	20,485,296.00
Held-to-maturity investment			
long-term accounts receivable			
Long-term equity investments		**212,879,991.32**	217,723,567.27
Investment property		**22,324,346.82**	22,763,943.24
Fixed assets	(6)	**268,526,656.78**	251,728,841.40
Construction in progress		**126,125,955.04**	121,263,137.82
Construction material			
Disposal of fixed assets		**977,846.82**	
Productive Biological Assets			
Oil and gas			
Intangible assets	(7)	**40,113,096.65**	40,665,346.67
Development cost			
Goodwill			
Long term prepaid expenses			
Deferred tax assets	(8)	**22,138,441.50**	22,138,441.50
Other non-current assets			
Total non-current assets		**713,571,630.93**	696,768,573.90
Total assets		**1,460,076,782.11**	1,490,675,164.78

Item	*Note*	**End of period**	Beginning of period
Current liabilities:			
Short term loans		**5,000,000.00**	15,000,000.00
Borrowings from central bank			
Deposits taking and inter-bank deposits			
Loans from others			
Transactional financial liabilities			
Bills payable			
Accounts payable		**100,682,702.50**	74,834,461.96
Receipt in advance		**2,733,555.79**	10,422,405.63
Call option			
Commission and charges payable			
Staff remuneration payables		**17,472,192.58**	22,383,812.67
Tax payable	(9)	**-23,972,248.04**	-14,548,090.39
Interest payable		**902,765.45**	501,776.32
Dividend payable			
Other payables		**43,995,451.89**	51,614,102.16
Premium payable for reinsurance			
Net provision for insurance contracts			
Amount payable to securities broker			
Amount payable to securities underwriter			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities		**146,814,420.17**	160,208,468.35

Item	*Note*	**End of period**	Beginning of period
Non-current liabilities:			
Long term loans		**10,137,437.09**	9,508,807.37
Bonds payable			
Long-term payables			
Designate accounts payable			
Provision			
Deferred tax liabilities	(8)	**3,163,213.25**	3,133,183.11
Other non-current liabilities		**80,402,926.83**	62,710,406.83
Total non-current liabilities		**93,703,577.17**	75,352,397.31
Total liabilities		**240,517,997.34**	235,560,865.66
Equity			
Share capital	(10)	**400,000,000.00**	400,000,000.00
Capital reserve		**666,347,345.52**	666,347,345.52
Less: treasury shares			
Special reserve			
Surplus reserve		**8,726,923.61**	8,726,923.61
General risk reserve			
Retained earnings		**62,721,246.51**	98,347,827.12
Translation reserve			
Total equity attributable to the equity holders of the Company		**1,137,795,515.64**	1,173,422,096.25
Minority interest		**81,763,269.13**	81,692,202.87
Total equity		**1,219,558,784.77**	1,255,114,299.12
Total liabilities and equity		**1,460,076,782.11**	1,490,675,164.78

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

Monetary unit: RMB

Item	*Note*	Current period	Prior period
1. Total operating income		**254,987,674.83**	254,434,560.79
Operating income		**254,987,674.83**	254,434,560.79
Interest income			
Insurance premiums earned			
Commissions income			
2. Total operating costs		**286,591,182.51**	259,725,007.01
Operating costs		**247,362,856.07**	214,225,449.87
Interest expense			
Commission charges			
Refund of insurance premiums			
Net payments for insurance claims			
Net provision for insurance contracts			
Commissions on insurance policies			
Cession charges			
Business taxes and surcharges		**454,731.98**	630,526.50
Selling expenses		**14,948,456.88**	18,208,362.35
Administration expenses		**29,853,465.94**	29,896,336.87
Finance costs		**-3,109,534.28**	-2,726,821.89
Assets impairment loss		**-2,918,794.08**	-508,846.69
Add: Changing income of fair value			
Losses on investment		**-4,843,575.95**	-6,785,070.15
Including: Losses on investment of associates and jointly controlled entities		**-4,843,575.95**	-6,785,070.15
Exchange gain (losses)			

Item		Note	Current period	Prior period
3.	**Operating loss**		**-36,447,083.63**	-12,075,516.37
	Add: Non-operating income		**3,866,744.38**	2,042,443.21
	Less: Non-operating expenses		**834,916.14**	1,150,663.27
	Including: Loss on disposal of non-current assets		**13,873.38**	14,451.33
4.	**Total loss**		**-33,415,255.39**	-11,183,736.43
	Less: Income tax expenses	(ii)	**1,240,258.96**	2,515,920.61
5.	**Net loss**		**-34,655,514.35**	-13,699,657.04
	Net loss attributable to parent company's shareholders		**-35,626,580.61**	-18,375,365.26
	Minority interests		**971,066.26**	4,675,708.22
6.	**Earnings per share:**			
	(i) Basic earning per share *(RMB/share)*		**-0.09**	-0.05
	(ii) Diluted earning per share *(RMB/share)*		**-0.09**	-0.05
7.	**Other comprehensive income**			
8.	**Total comprehensive income**		**-34,655,514.35**	-13,699,657.04
	Total comprehensive income attributable to the Company's shareholders		**-35,626,580.61**	-18,375,365.26
	Total comprehensive income attributable to minority interests		**971,066.26**	4,078,708.32

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2011

Monetary unit: RMB

Item	*Note*	**Current period**	Prior period
1. Cash flow from operating activities:			
Cash received from sale of goods or rendering of services		**286,563,034.15**	210,231,355.54
Net increase in interbank deposit and the deposit			
Net increase in borrowing from the central bank			
Net increase in loans from other financial institutions			
Premium received for insurance contracts			
Premium received for reinsurance contracts			
Increase in reserve fund			
Increase in transactional monetary funds			
Interest, charges and commission received			
Deposits taking			
Increase in repurchase fund			
Tax refund			19,796.73
Other cash received from activities related to operation	V. 43	**24,146,914.12**	25,823,308.99
Sub-total of cash inflow from operating activities		**310,709,948.27**	236,074,461.26

Item	*Note*	**Current period**	Prior period
Cash paid to purchase goods or receiving services		**259,442,323.21**	192,384,810.87
Loans to customer and payment on behalf			
Increase in deposits with central bank and inter-bank			
Compensation paid for insurance contract			
Interest, handling charges and commission paid			
Bonus payment for insurance contract			
Cash paid to and on behalf of employees		**31,709,143.55**	30,091,842.61
Cash paid for all types of taxes		**11,195,338.80**	19,891,003.42
Other cash paid for activities related to operation	V. 43	**47,571,968.52**	42,254,453.20
Sub-total of cash outflow from operating activities		**349,918,774.08**	284,622,110.10
Net cash flow from operating activities		**-39,208,825.81**	-48,547,648.84
2. Cash flow from investment activities:			
Cash received from investments		**32,875,965.08**	
Cash received from investment return			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**20,137,326.52**	36,253,678.31
Net cash received from disposal of subsidiaries and other business units			
Other cash received from activities related to investment			
Sub-total of cash inflow from investment activities		**53,013,291.60**	36,253,678.31

Item	*Note*	**Current period**	Prior period
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**33,150,313.97**	62,698,468.53
Cash paid for acquisition of investment		**2,000,000.00**	
Increase in secured loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid for activities related to investment		**15,000,000.00**	6,201,890.30
Sub-total of cash outflow from investment activities		**50,150,313.97**	68,900,358.83
Net cash flow from investment activities		**2,862,977.63**	-32,646,680.52
3. Cash flow from financing activities:			
Cash received from investment			
Including: Cash received from subsidiary company absorbing minority's investment			
Proceeds from loans		**6,000,000.00**	17,000,000.00
Cash received from bonds issued			
Other cash received from activities related to financing			
Sub-total of cash inflow from financing activities		**6,000,000.00**	17,000,000.00
Repayment of loans		**16,000,000.00**	15,000,000.00
Cash paid for dividends, profit or interest payments		**1,378,546.54**	1,735,932.36

Item	*Note*	**Current period**	Prior period
Including: Dividend and profits paid to minority shareholders of the subsidiaries			
Other cash paid for activities related to financing			
Sub-total of cash outflow from financing activities		**17,378,546.54**	16,735,932.36
Net cash flow from financing activities		**-11,378,546.54**	264,067.64
4. Effect of foreign exchange rate changes on cash and cash equivalents			
5. Net decrease in cash and cash equivalents		**-47,724,394.72**	-80,930,261.72
Add: beginning balance of cash and cash equivalents		**289,139,050.33**	412,252,137.22
6. Ending balance of cash and cash equivalents		**241,414,655.61**	331,321,875.50

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2011

Monetary unit: RMB YUAN

	30 June 2011										
	Shareholder's equity attributable to parent company's shareholder										
Item	Share capital	Capital reserve	Less: treasury shares	Special reserve	Surplus reserve	General risk provision	Retained earnings	Others	Sub-total	Minority interest	Total shareholder's equity
1. Balance at the end of last year	400,000,000.00	666,347,345.52			8,726,923.61		98,347,827.12		1,173,422,096.25	81,692,202.87	1,255,114,299.12
Add: changes of accounting policy											
Prior period errors correction											
Others											
2. Balance at the beginning of the period	400,000,000.00	666,347,345.52			8,726,923.61		98,347,827.12		1,173,422,096.25	81,692,202.87	1,255,114,299.12
3. Increase (decrease)							-35,626,580.61		-35,626,580.61	71,066.26	-35,555,514.35
(i) Net profit							-35,626,580.61		-35,626,580.61	971,066.26	-34,655,514.35
(ii) Other comprehensive profit											
the sum of (1) and (2)							-35,626,580.61		-35,626,580.61	971,066.26	-34,655,514.35
(iii) Shareholders increase ordecrease capital (decrease)											
1. capital invested by owners											
2. share-based payment recorded into shareholders' equity											
3. others											
(iv) Retained earnings										-900,000.00	-900,000.00
1. appropriation to surplus reserves											
2. appropriation to general risk provision											
3. distribution to all owners (or shareholders)										-900,000.00	-900,000.00
4. others											
(v) Transfer within owners' equity (loss)											
1. transferred from capital surplus											
2. transferred from surplus reserve											
3. surplus reserve marked up losses											
4. others											
(vi) Special reserves											
1. appropriation this year											
2. use in this year											
4. Balance at the end of the period	400,000,000.00	666,347,345.52			8,726,923.61		62,721,246.51		1,137,795,515.64	81,763,269.13	1,219,558,784.77

31 December 2010

Shareholder's equity attributable to parent company's shareholder

Item	**Share capital**	**Capital reserve**	**Less: treasury shares**	**Special reserve**	**Surplus reserve**	**General risk provision**	**Retained earnings**	**Others**	**Sub-total**	**Minority interest**	**Total shareholder's equity**
1. Balance at the end of last year	400,000,000.00	670,112,655.12			2,162,765.04		17,877,454.07		1,090,152,874.23	77,381,654.21	1,167,534,528.44
Add: changes of accounting policy											
Prior period errors correction											
Others											
2. Balance at the beginning of the period	400,000,000.00	670,112,655.12			2,162,765.04		17,877,454.07		1,090,152,874.23	77,381,654.21	1,167,534,528.44
3. Increase(decrease)							-18,375,365.26		-18,375,365.26	3,175,708.22	-15,199,657.04
(i) Net profit							-18,375,365.26		-18,375,365.26	4,675,708.22	-13,699,652.04
(ii) Other comprehensive profit											
the sum of (1) and (2)							-18,375,365.26		-18,375,365.26	4,675,708.22	-13,699,652.04
(iii) Shareholders increase or decrease capital(decrease)											
1. capital invested by owners											
2. share-based payment recorded into shareholders' equity"											
3. others											
(iv) Retained earnings										-1,500,000.00	-1,500,000.00
1. appropriation to surplus reserves											
"2. appropriation to general risk provision"											
"3. distribution to all owners (or shareholders)"										-1,500,000.00	-1,500,000.00
4. others											
(v) Transfer within owners' equity (loss)											
1. transferred from capital surplus											
2. transferred from surplus reserve											
3. surplus reserve marked up losses											
4. others											
(vi) Special reserves											
1. appropriation this year											
2. use of this year											
4. Balance at the end of the period	400,000,000.00	666,347,345.52			2,162,765.04		-497,911.19		1,071,777,508.97	80,557,362.43	1,152,334,871.40

NOTES TO THE FINANCIAL STATEMENT

1. BACKGROUND OF THE COMPANY

Chengdu PUTIAN Telecommunications Cable Company Limited (the "Company") was incorporated on 1 October 1994 after its restructuring from Chengdu Cable Plant of the Posts and Telecommunications Ministry of China (now known as "China PUTIAN Corporation"). Pursuant to the approvals granted by State Council for issuance of shares in Hong Kong, the shares of the Company have been listed on the Stock Exchange of Hong Kong Limited since 13 December 1994 through placing and public offer of H shares. The original name at the time of listing was Chengdu Telecommunications Cable Company Limited. The Company obtained Qihechuanrongzong business license No.1972 issued by Chengdu Administration Bureau of Industry and Commerce. The registered capital of the Company is RMB400,000,000 of which: China PUTIAN Corporation hold RMB240,000,000 representing 60% of the total shares; public shareholders hold RMB160,000,000 representing 40% of the total shares (H Shares).

Currently, the Company has 4 holding subsidiaries, 1 jointly controlled entity and 5 associates. The Company's corporate governance structure is set out as follows: shareholders general meeting, board of directors, supervisory committee, audit committee and the management. The organization structure is set out as follows: office and administration department, finance department, human resources department, China Communist Party Committee, quality control department, production safety department, investment department, engineering department and the technology centre (including cable technology department, laboratory testing department, application development department and the general administrative department).

Business license registration number: 510100400020197

Registered address: No. 18, Xinhang Road, The West Park of Hi-Tech Development Zone, Cheungdu, Sichuan Province, the People's Republic of China (the "PRC").

Legal representative: Zhang Xiaocheng

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

On 10 November 2000, the Company changed its name to Chengdu PUTIAN Telecommunications Cable Company Limited.

On 21 January 2005, China PUTIAN Corporation and China Potevio Company Limited entered into a share transfer agreement. China PUTIAN Corporation agreed to transfer 60% of its equity in Chengdu PUTIAN Telecommunications Cable Company Limited to China Potevio Company Limited with no consideration. On 30 August 2005, a share transfer supplementary agreement was signed to redefine the terms and effective date of this share transfer. "Guozichanquan No. [2005] 287" was issued by the State Owned Assets Supervision and Administration Commission of the State Council on 10 March 2005 and "Hangzipi No.[2005] 2581" was issued by Ministry of Commerce of the PRC on 7 November 2005 for the approval of this supplementary agreement. On 8 February 2006, the Company changed to new business license.

In 2005, the Company sold a plot of land located at No.2 Zijing West Road, Hi-tech Development Zone, Chengdu through public auction. In November 2007, the Company moved to and built its new plants at No.18, Xinhang Road, The West Park of Hi-Tech Development Zone, Chengdu Sichuan Province, the PRC. On 5 November 2008, the Company changed the registered address of the business license.

The immediate holding company of the Company is China Potevio Company Limited and the ultimate holding company is China PUTIAN Corporation.

2. PREPARATION BASIS OF FINANCIAL STATEMENT

The financial statements of the Group are prepared on the basis of going concern postulate and actual transactions and events that occurred, according to the "Enterprise Accounting Standards" and its application of the relevant provisions of the guidelines issued by the Ministry of Finance on 15 February 2006, and based on the following significant accounting policies and accounting estimates.

3. ANNOUNCEMENT ABOUT COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group financial statements are prepared in accordance with the requirements of the Accounting Standards for Business Enterprises, and they fairly and completely present the financial position of the Group as of 30 June 2011, and the results of its operations and its cash flows for the first half year then ended.

4. DETAILS OF THE SUBSIDIARIES

Subsidiaries obtained through set-up or investment

Name of subsidiaries	Type of subsidiaries	Registered address	Registered capital	Principal activities and scope of operation	Paid-in capital	Other items in substance from part of the investment
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	Stated-owned enterprise and collective cooperation	Jingdu Village, Baijia Town, Shuangliu, Chengdu	RMB22,520,000	Manufacture and sale of heat-shrink cable joining sleeves, cold-shrink cable, electric wire and cable and accessories	RMB15,013,376.15	—
Chengdu SEI Optical Fiber Co., Ltd.	Limited company	The westpark of Hi-tech Development Zone, Chengdu	USD13,750,000	Manufacture and sale of optical fiber and related material	RMB70,424,819.71	—
Chengdu MCIL Radio Communications Co., Ltd.	Limited company	The westpark of Hi-tech Development Zone, Chengdu	RMB82,100,000	Manufacture and sale of copper cables, parts and components for wireless telecommunications system network	RMB72,702,773.95	—
Chengdu Gaoxin Cable Co., Ltd.	Limited company	Yan alley, Pingle Town, Qionglai City,	RMB8,116,116.38	Manufacture and sale of cables and wires, special cables and other telecommunications products	RMB5,419,982.62	—

Name of subsidiaries	Equity held *(%)*	Voting right held *(%)*	Consolidated or not	Minority interests	Amount of minority interest for deduction of minority interest's losses	The balance of the amount of shareholders equity attributable to parent company deducting losses for the year to minority interest exceed the amount of equity at the beginning of year of subsidiaries of minority interest
Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant	66.67	66.67	Yes	26,511,130.94	—	—
Chengdu SEI Optical Fiber Co., Ltd.	60	60	Yes	51,209,551.69	—	—
Chengdu MCIL Radio Communications Co., Ltd.	96.67	100	Yes	2,039,093.26	—	—
Chengdu Gaoxin Cable Co., Ltd.	64.27	64.27	Yes	2,003,493.24	—	—

5. CASH AND BANK BALANCES

(1) Classification

Item	End of the period Foreign currency balance	End of the period Exchange rate	End of the period RMB	Beginning of the period Foreign currency balance	Beginning of the period Exchange rate	Beginning of the period RMB
Cash	**—**	**—**	**142,504.26**	—	—	277,886.62
— Renminbi	**—**	**—**	**142,504.26**	—	—	277,886.62
Deposits at banks	**—**	**—**	**237,887,127.18**	—	—	278,226,013.55
— Renminbi	**—**	**—**	**232,852,132.51**	—	—	273,973,499.27
— US dollars	**778,013.89**	**6.4716**	**5,034,994.67**	642,111.87	6.6227	4,252,514.28
Other monetary funds	**—**	**—**	**3,385,024.17**	—	—	10,635,150.16
— Renminbi	**—**	**—**	**3,385,024.17**	—	—	10,635,150.16
Total	**—**	**—**	**241,414,655.61**	—	—	289,139,050.33

(2) Other monetary funds

Item	End of the period	Beginning of the period
Credit card	**214,014.17**	—
L/C guarantee deposit	**3,171,010.00**	10,635,150.16
Total	**3,385,024.17**	10,635,150.16

Note: Other monetary funds are mainly L/C guarantee deposits with restriction in use.

6. FIXED ASSETS

(1) Details of fixed assets and their accumulated depreciation and movements

Item	31 December 2010	Additions	Disposals	30 June 2011
1. Cost	546,476,381.32	29,819,046.20	30,822,310.59	545,473,116.93
Buildings	143,448,199.07	231,086.12		143,679,285.19
Plant and equipment	368,081,689.51	29,154,721.75	30,386,223.09	366,850,188.17
Transportation equipment	10,645,607.33	323,702.00	436,087.50	10,533,221.83
Other equipment	24,300,885.41	109,536.33		24,410,421.74
		Charge for the period	**Disposals**	
2. Accumulated depreciation	282,138,865.60	11,985,793.31	27,151,268.70	266,973,390.21
Buildings	24,077,237.67	4,458,284.79		28,535,522.46
Plant and equipment	234,787,781.16	6,367,247.09	26,728,263.83	214,426,764.42
Transportation equipment	7,193,309.28	392,574.95	423,004.87	7,162,879.36
Other equipment	16,080,537.49	767,686.48		16,848,223.97
3. Net carrying amount	264,337,515.72			278,499,726.72
Buildings	119,370,961.40			115,143,762.73
Plant and equipment	133,293,908.35			152,423,423.75
Transportation equipment	3,452,298.05			3,370,342.47
Other equipment	8,220,347.92			7,562,197.77
4. Provision for impairment	12,608,674.32		2,635,604.38	9,973,069.94
Buildings				
Plant and equipment	11,983,755.76		2,635,604.38	9,348,151.38
Transportation equipment	113.10			113.1
Other equipment	624,805.46			624,805.46
5. Net book value	251,728,841.40			268,526,656.78
Buildings	119,370,961.40			115,143,762.73
Plant and equipment	121,310,152.59			143,075,272.37
Transportation equipment	3,452,184.95			3,370,229.37
Other equipment	7,595,542.46			6,937,392.31

Note 1: Depreciation of fixed assets for the period was RMB11,985,793.31. Assets amounting to RMB25,936,447.91 were transferred from construction in progress to fixed assets during the period.

Note 2: At the end of the reporting period, there were no significant temporary idle assets or assets to be disposed.

Note 3: At the end of the reporting period, no asset was held under finance lease.

Note 4: At the end of the reporting period, no asset was leased to others under operating leases.

7. INTANGIBLE ASSETS

(1) Details of intangible assets

Item	31 December 2010	Additions	Disposals	30 June 2011
1. Cost	45,369,017.58			45,369,017.58
Land use rights	43,549,845.30			43,549,845.30
Licence	1,071,672.28			1,071,672.28
Others	747,500.00			747,500.00
2. Accumulated amortisation	4,703,670.91	552,250.02		5,255,920.93
Land use rights	3,652,530.17	498,666.36		4,151,196.53
Licence	303,640.74	53,583.66		357,224.40
Others	747,500.00			747,500.00
3. Net carrying amount	40,665,346.67			40,113,096.65
Land use rights	39,897,315.13			39,398,648.77
Licence	768,031.54			714,447.88
Others				
4. Provision for impairment				
Land use rights				
Licence				
Others				
5. Net book value	40,665,346.67			40,113,096.65
Land use rights	39,897,315.13			39,398,648.77
Licence	768,031.54			714,447.88
Others				

8. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

(1) Details of recognised deferred tax assets and deferred tax liabilities

Item	**30 June 2011**	31 December 2010
Deferred tax assets:		
Provision for impairment of assets	**22,138,441.50**	22,138,441.50
Sub total	**22,138,441.50**	22,138,441.50
Deferred tax liabilities:		
Depreciation of fixed assets	**499,618.85**	469,588.71
Changes in fair value of available-for-sale financial assets	**2,663,594.40**	2,663,594.40
Total	**3,163,213.25**	3,133,183.11

(2) Details of unrecognised deferred tax assets

Item	**30 June 2011**	31 December 2010
Provision for impairment of assets	**60,626,333.70**	63,545,127.78
Total	**60,626,333.70**	63,545,127.78

(3) Deferred tax assets arising from deductible temporary differences or deferred tax liabilities arising from taxable temporary differences

Item	Amount
Items of taxable temporary difference	
Depreciation of fixed assets	1,998,475.39
Changes in fair value of available-for-sale financial assets	17,757,296.00
Total	19,755,771.39
Items of deductible temporary difference	
Provision for bad debts on accounts receivable	41,725,679.49
Provision for bad debts on other receivables	1,172,880.21
Provision for impairment of inventories	71,682,503.87
Provision for impairment of fixed assets	9,973,069.94
Provision for impairment of long-term equity investments	16,926,709.71
Total	141,480,843.22

9. TAX PAYABLE

Item	**30 June 2011**	31 December 2010	Remark
Value-added tax	**-28,880,296.84**	-19,115,513.63	
Business tax	**48,125.09**	200,254.33	
City construction tax	**5,789.10**	248,653.90	
Enterprise income tax	**1,710,295.63**	2,172,186.70	
Property tax	**1,244,414.57**	708,053.55	
Land use tax	**1,571,852.64**	785,926.32	
Individual income tax	**108,069.90**	168,557.03	
Educational surcharges	**3,705.06**	137,599.24	
Other taxes	**215,796.81**	146,192.17	
Total	**-23,972,248.04**	-14,548,090.39	

10. SHARE CAPITAL

Item	31 December 2010	Changes in the period(+, -) Issue of shares	Dispatched shares	Premium transferred to shares	Others	Sub total	30 June 2011
China Potevio Company Limited	240,000,000.00						240,000,000.00
H share	160,000,000.00						160,000,000.00
Total shares	400,000,000.00						400,000,000.00

11. INCOME TAX EXPENSE

Item	**Six months ended 30 June 2011**	Six months ended 30 June 2010
Income tax expense for the period according to tax laws and related regulations	**1,210,228.82**	2,485,422.39
Adjustment of deferred tax	**30,030.14**	30,498.22
Total	**1,240,258.96**	2,515,920.61

12. RELATED PARTY AND RELATED PARTY TRANSACTIONS

(1) Parent company

Name of parent company	Relationship	Type of legal entity	Registered address	Legal representative	Principal activities	Registered capital	Equity interest in the Company (%)	Voting share in the Company (%)	Ultimate controller	Code of entity
China Potevio Company Limited	Parent company	Company Limited	Beijing	Xing Wei	Manufacturing of telecommunication products	190,000.00	60.00	60.00	China PUTIAN Corporation	10000157X

(2) Other related parties

Name	Relationship with the Company	Organisation code
China Potevio Information Industry Chengdu Company Limited	Controlled by the same parent company	
Houma PUITAN Rongsheng Optical Fiber Co., Ltd	Controlled by the same parent company	731900766
Nanjing PUTIAN Intelligent Building Co., Ltd	Controlled by the same parent company	721720454
Sumitomo Electric Industries, Ltd.	Subsidiary of non-controlling shareholders	
Sumitomo Electric Asia Ltd	Subsidiary of non-controlling shareholders	
Chengdu Zhong Kang Optical Fiber Co., Ltd	Subsidiary of non-controlling shareholders	62170406-X

(3) Related party transactions

Related party transactions for purchase of goods and receipt of services

Name of related party	Details of transaction	Method and decision making procedures for determining the price of the related party transaction	Six months ended 30 June 2011 Amount	Percentage to total similar transactions (%)
Chengdu Bada Connector Co., Ltd.	Purchase of goods	Market price	30,506,379.66	10.30
Sumitomo Electric Industries, Ltd.	Purchase of goods	Market price	1,103,480.88	0.37
Sumitomo Electric Asia Ltd	Purchase of goods	Market price	32,159,306.42	10.86
Total			63,769,166.96	21.53

Name of related party	Details of transaction	Method and decision making procedures for determining the price of the related party transaction	Six months ended 30 June 2010 Amount	Percentage to total similar transactions (%)
Sumitomo Electric Industries, Ltd.	Purchase of goods	Market price	52,452,304.63	18.02
Chengdu Bada Connector Co., Ltd.	Purchase of goods	Market price	27,036,669.71	9.29
Total			79,488,974.34	27.31

Related party transactions relating to sales of goods and rendering of services

Name of related party	Details of transaction	Method and decision making procedures for determining the price of the related party transaction	Six months ended 30 June 2011 Amount	Percentage to total similar transactions *(%)*
Chengdu Bada Connector Co., Ltd.	Sales of goods	Market price	664,752.15	0.26
Chengdu Zhong Kang Optical Fiber Co., Ltd	Sales of goods	Market price	8,070,917.02	3.17
China Potevio Information Industry Chengdu Company Limited	Sales of goods	Market price	365,238.72	0.14
Total			9,100,907.89	3.57

Name of related party	Details of transaction	Method and decision making procedures for determining the price of the related party transaction	Amount	Percentage to total similar transactions
			Six months ended 30 June 2010	
				(%)
China Potevio Information Industry Chengdu Company Limited	Sales of goods	Market price	9,886,839.15	3.89
Houma PUITAN Rongsheng Optical Fiber Co., Ltd	Sales of goods	Market price	802,125.60	0.32
Chengdu Bada Connector Co., Ltd.	Sales of goods	Market price	1,104,048.26	0.43
Chengdu Zhong Kang Optical Fiber Co., Ltd	Sales of goods	Market price	5,995,119.67	2.36
Total			17,788,132.68	7.00

Related party transactions relating to guarantee

Guarantor	Guarantee provided to	Amount of guarantee	Date of commencement	Date of expiration	Guarantee discharged?
China Potevio Information Industry Chengdu Company Limited *	Chengdu PUTIAN Telecommunications Cable Company Limited	Euro 1,079,748.75	21 February 1997	21 February 2033	No

* *For identification purpose only*

13. RETURN ON NET ASSETS AND EARNINGS PER SHARE

According to "Information Disclosure and Preparation Regulations of Companies Publicly Issuing Securities No. 9 - Calculation and Disclosure of Return on Rate of Net Assets and Earnings per Share (Revised in 2010)" ("China Securities Regulatory Commission Announcement [2010] No. 2"), and "Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No. 1 - Non-operating Profit and Loss (2008)" (China Securities Regulatory Commission Announcement [2008] No. 43") issued by China Securities Regulatory Commission ("CSRC"), earnings per share are calculated as follows:

(1) Six months ended 30 June 2011

		Earnings per share	
Loss for the period	**Return on net weighted average assets** *(%)*	**Basic earnings per share**	**Diluted earnings per share**
Net loss attributable to ordinary shareholders of the company	-3.08%	-0.0891	-0.0891
Net loss attributable to shareholders deducted non-operating gains and losses of the Company after deducting extraordinary items	-3.35%	-0.0967	-0.0967

(2) Six months ended 30 June 2010

Loss for the period	Return on net weighted average assets (%)	Earnings per share Basic earnings per share	Diluted earnings per share
Net loss attributable to ordinary shareholders of the company	-1.70	-0.0459	-0.0459
Net loss attributable to shareholders deducted non-operating gains and losses of the Company after deducting extraordinary items	-1.78	-0.0481	-0.0481

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Results analysis

During the Period, the Group was principally engaged in the manufacturing and sale of various types of telecommunication cables, optical fibres and cable joining sleeves.

During the Period, the Group recorded a turnover of RMB254,987,674.83, representing an increase of approximately 0.22% from RMB254,434,560.79 in the corresponding period last year. Among others, the turnover of copper cables and related products was RMB166,864,674.24, representing an increase of approximately 4.56% from the corresponding period last year. The turnover of optical fibres amounted to RMB64,448,714.41, representing an increase of approximately 14.37% as compared to the corresponding period last year. The turnover of cable joining sleeves was RMB23,674,286.18, representing a decrease of approximately 38.50% from the corresponding period last year. The loss attributable to shareholders of the Company for the Period was RMB35,626,580.61 as compared to the loss attributable to shareholders of the Company for the six months ended 30 June 2010 of RMB18,375,365.26.

Major Reasons for Loss from Principal Operations:

1. The electrical equipment cable and ultra fine electronic wire and component projects, the two major projects of the Company, were unable to achieve expected and satisfactory returns;

2. Processing fees for replacement of cables were received at relatively low levels from telecom customers; and

3. The subsidiaries of the Company failed to generate satisfactory profits.

(II) Review of principal operations

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

1. Consideration for transfer of equity interest in Dongguan CDC Cable Factory being collected in full

On 13 January 2008, the Company and Dongguan Huiyuan Industrial Group Company Limited (the "Huiyuan Group") entered into the Agreement on Transfer of State-owned Equity Interest, pursuant to which the Company transferred its 75% of equity interest in Dongguan CDC Cable Factory to Huiyuan Group for an aggregate consideration of RMB146,630,000.

Huiyuan Group paid off the remaining balance, together with an extra payment of RMB3,000,000 of interest thereon, in two instalments on 31 December 2010 and 12 May 2011 respectively.

2. Speeding up the construction of locomotive cable accelerator project

During the first half of 2011, the Company completed the construction and commissioning of the accelerators and started pilot production. Two accelerators have been able to irradiate cable and sheet products satisfactorily and they have reached 60% of their designed production capacity.

3. *Pushing forward joint venture cooperations for ultra fine wires and components through various extensive business negotiations*

During the first half of the year, the Company had business negotiations on joint venture and cooperations in respect of ultra fine components with a number of companies from Taiwan and Japan. Currently, the production line of ultra fine wires is in normal operation. The UL certification procedure has been completed and we are now in contact with relevant customers.

4. *Improving management standards through promoting refined management*

Given the significant balance of account receivables of the Company and the higher percentage of those overdue for two years or more, in order to protect the Company from sustaining losses and ensure sufficient funds to finance the two major projects of the Company, the Company has set up a debt clearance group headed by chief financial controller of the Company to collect such debts. In the first half of the year, the Company recovered hundreds of thousands of overdue receivables by legal means.

The Company's electronic wires factory was part of the quality, environment and occupational health and safety systems of the Company, operating as per the requirements of the system, The factory adopted an enterprise resource planning (ERP) system to manage its production process, procedure records, inspection records, incoming and outgoing of products and traceability of products all being processed on-line in the system. The factory sticks to the 6S system and maintains good on-site management.

In the first half of the year, the Company made adjustments to employee remuneration policy to increase wages of core technical and management personnel and key workers in the frontline of production, and raise the proportion of performance-related pay in the total remuneration. Meanwhile, "General Manager's Annual Special Performance-related Pay" was set up to reward employees who make outstanding contributions and performance during each year, so as to bring their talents into full play in every activity of the Company. In view of the personnel demand of its two major projects, the Company broadened its perspective and solved the shortage of professionals and operating personnel through various channels such as internal redeployment, external recruitment, cooperation with colleges and labour dispatch.

(III) Financial analysis

As at 30 June 2011, the Group's total assets amounted to RMB1,460,076,782.11, representing a decrease of around 2.05% from RMB1,490,675,164.78 as at the end of last year, of which the total non-current assets amounted to RMB713,571,630.93, accounting for approximately 48.87% of the total assets and representing an increase of approximately 2.41% from RMB696,768,573.90 as at the end of last year. As at 30 June 2011, the Group's total current assets amounted to RMB746,505,151.18, accounting for approximately 51.13% of total assets and representing a decrease of approximately 5.97% from RMB793,906,590.88 as at the end of last year.

The net cash outflow from operating activities of the Group during the Period amounted to RMB39,208,825.81 while the net cash outflow for the corresponding period last year was RMB48,547,648.84.

As at 30 June 2011, the Group's bank balances and cash (including incumbranced deposits) amounted to RMB241,414,655.61, representing a decrease of around 16.51% from RMB289,139,050.33 as at the end of last year.

As at 30 June 2011, the Group's total liabilities amounted to RMB240,517,997.34 (as at 31 December 2010: RMB235,560,865.66). The liability to asset ratio was approximately 16.47%, representing an increase of approximately 0.67% as compared to 15.80% as at the end of last year. Bank and other borrowings due within one year amounted to RMB5,000,000.

During the Period, the Group did not arrange other fundraising activities.

During the Period, the Group's distribution costs, administrative and other operating expenses and finance costs amounted to RMB14,948,456.88, RMB29,853,465.94 and RMB3,109,534.28 respectively, representing a decrease of 17.90%, a decrease of 0.14% and an increase of 14.04% from RMB18,208,362.35, RMB29,896,336.87 and RMB2,726,821.89 respectively in the corresponding period last year.

During the Period, the average gross profit margin of the Group was approximately 2.99%, representing a decrease of around 81.08% from 15.80% in the corresponding period last year.

During the Period, the trade and bill receivables and inventories of the Group amounted to RMB190,321,738.34 and RMB250,946,063.92 respectively, representing an increase of approximately 25.12% and 9.39% from RMB152,105,427.35 and RMB229,395,521.98 respectively as at the end of last year.

1. *Analysis of liquidity*

    As at 30 June 2011, the Group's current ratio and quick ratio were approximately 5.08 and 3.38 respectively.

2. *Analysis of financial resources*

    As at 30 June 2011, the Group's short-term bank loans and other loans amounted to RMB5,000,000.00. As the Group had comparatively sufficient bank deposits and cash with a total amount of RMB241,414,655.61, the Group does not have short term solvency risk.

    As at 30 June 2011, the outstanding amount of the Group's long-term loan incurred as a result of the purchase of a French accelerator was approximately RMB10,137,437.09 (equivalent to approximately EUR1,079,748.75), which is a French government guaranteed bank loan at an interest rate of 0.5% per annum. The loan denominated in Euro is subject to exchange rate risks resulting from fluctuations of the Euro exchange rate in the international foreign exchange market. The long-term loan is payable by instalments with a maximum repayment term of 36 years commencing from 2015. As the Group's balance of long-term loans was not substantial, it did not have any material impact on the operation of the Group.

3. *Capital structure of the Group*

    The Group's capital resources are derived from bank loans and proceeds from shares issued by the Company. To ensure reasonable utilisation of capital, the Group has established a stringent and sound financial management system. During the Period, no problem was noted for payment of due debts and inappropriate performance of due obligations.

    In the future, the Group will strengthen the control and management of funds so that the funds can be fully utilised under normal production and operation.

(IV) Business outlook

1. *Put more efforts in developing major projects for higher returns*

   On electrical equipment cables, we are to complete the certification and pilot production and strive to be listed as one of the suppliers as soon as possible for new type of cables. Meanwhile, we will make every effort to fulfil all purchase orders placed and perfect product quality.

   On ultra fine electronic wires and components, we will endeavour to develop markets, expand sales and procure the completion of joint venture project as early as possible.

   On telecommunications cables, we will make careful studies and find out effective measures in order to improve our profit margin.

2. *Enhance investment management to improve the management of joint ventures*

   We will improve the standardization of the management systems of its joint ventures and enhance supervision and inspection on the fulfilment of every task so as to ensure profit growth of the joint ventures.

   We will raise awareness of risk identification and warning, and carry out all-round risk assessment. Any exceptional matters and risk exposures discovered in the assessment shall be timely examined and rectified. Corporate general legal consultant system will be established and optimized under which legal review will be applied toward important systems, contracts and decisions, so as to effectively control legal risks.

3. *Enhance construction of information technology and improve comprehensive management practice*

   We will continue to propel construction of information technology and make full use of the established cooperative office system and contract management system to improve work efficiency. Further, we will strive to complete information-based management for raw materials warehouse by the end of the year.

USE OF PROCEEDS

The Company 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 2011, the Company had spent an aggregate amount of approximately HK$373,429,000, of which HK$84,360,000 was spent on investment projects and HK$289,069,000 was spent repaying debts and used as working capital.

The remaining balance of the unutilized proceeds amounting to approximately HK$50,571,000 is deposited with banks in the PRC denominated in Hong Kong dollars and Renminbi respectively.

OVERDUE TIME DEPOSITS

As at 30 June 2011, the Group did not have any deposit or trust deposit with non-banking financial institutions nor time deposits that cannot be recovered on maturity.

Although the Company decided at the annual general meeting of year 2000 to write off the principal of the deposit of RMB30,000,000 in China Leasing Company Limited as bad debt, the Company has not given up recovering this amount. During the Period, the Company continued to claim repayment against China Leasing Company Limited.

ENTERPRISE INCOME TAX

According to the Administrative Measures for Accreditation of High-tech Enterprises(《高新技術企業認定管理辦法》)(Guo Ke Fa Huo [2008] No.172) and Work Guidance on Accreditation of High-tech Enterprises(《高新技術企業認定管理工作指引》)(Guo Ke Fa Huo [2008] No.362), the Company was recognized as a high-tech enterprise by Science and Technology Department of Sichuan Province, Department of Finance of Sichuan Province, the State Administration of Taxation of Sichuan Province and the Bureau of Local Taxation of Sichuan Province through the letter (Chuan Gao Qi Ren [2008] No.2) issued by these authorities. The Company's High-tech Enterprise Certificate numbered GR200851000246 has a validity period of three years. The Company enjoyed the preferential income tax rate of 15% for high-tech enterprises for three years from 1 January 2008, which expired at the end of 2010. The Company is now undergoing renewal examination for such preferential tax treatment. During the examination period, the Company will temporarily pay income tax at a rate of 15% pursuant to the No.4 Document of 2011 issued by the State Administration of Taxation, and will continue to enjoy the preferential tax rate if it passes the renewal examination.

According to the Circular of the State Council on Unifying the System of Urban Maintenance and Construction Tax and Education Surcharge Paid by Domestic and Foreign-invested Enterprises and Individuals （《國務院關於統一內外資企業和個人城市維護建設税和教育費附加制度的通知》）(Guo Fa [2010] No. 35 Document) starting from 1 December 2010, Chengdu SEI Optical Fibre Co., Ltd. and Chengdu MCIL Radio Communications Cable Co., Ltd., the subsidiaries of the Company, are required to pay urban maintenance and construction tax and education surcharge respectively equal to 7% and 3% of their respective actual payment of value-added tax, consumption tax and business tax.

STAFF AND REMUNERATION POLICY OF THE GROUP

As at 30 June 2011, the Group had 1,113 employees.

The Group remunerates its staff based on their performance, experience and prevailing industry practices. Other benefits offered to the staff include retirement benefits plans, medical benefits plans and housing fund plans. The Group also provides technical trainings to its staff.

SHAREHOLDING OF SHAREHOLDERS AND CHANGE OF SHARE CAPITAL STRUCTURE

1. Share capital structure

During the Period, the Company did not make any arrangements for bonus issue, placing or increase 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 issued shares ("H Shares"), representing 60% and 40% of the issued share capital of the Company respectively.

2. Shareholdings of substantial shareholders

As at 30 June 2011, the largest shareholder of the Company was China Potevio Company Limited ("China Potevio" or "CPCL") which held 240,000,000 state-owned legal person shares, representing 60% of the issued share capital of the Company. As at 30 June 2011, HKSCC Nominees Limited ("HKSCC", holding shares of the Company on behalf of various customers) held 155,972,998 H Shares, representing 38.99% of the issued share capital of the Company.

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 Laws of Hong Kong) (the "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 holding 5% or more of the Company's issued H Shares. These are interests other than those held by the directors (the "Directors"), supervisors (the "Supervisors") or the chief executive of the Company which have already been disclosed.

As indicated by HKSCC, as at 30 June 2011, the Central Clearing and Settlement System ("CCASS") participants held 5% or more of the total issued H Shares of the Company are shown as follows:

CCASS participant	Number of H Shares held as at 30 June 2011	Percentage of H Shares	Percentage of total issued share capital
BOCI Securities Limited	10,246,000	6.4037%	2.5615%
Hang Seng Securities Limited	8,398,563	5.2491%	2.0996%
The Hongkong & Shanghai Banking Corporation Limited	24,401,300	15.2508%	6.1000%
Bank of China (Hong Kong) Limited	15,804,000	9.8775%	3.9510%

Save as disclosed above, as at 30 June 2011, the Company was not aware of any other 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% or more of the interests in the issued H Shares.

3. Shareholdings of Directors and Supervisors

As at 30 June 2011, none of the Directors, Supervisors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or 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 to 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 a sufficient public float was maintained during the Period and as at the date hereof.

5. Purchase, sale or repurchase of listed securities

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the Company's listed securities.

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

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

AUDIT COMMITTEE

At present, the members of the audit committee of the Board of the Company (the "Audit Committee") are Mr. Choy Sze Chung, Jojo, Mr. Wu Zhengde and Mr. Li Yuanpeng.

The Audit Committee is primarily responsible for the internal control and review, financial reporting matters of the Company and making recommendation to the Board on the appointment and removal of external auditors. The Audit Committee has reviewed the Group's unaudited interim consolidated financial statements and interim report for the six months ended 30 June 2011.

The Audit Committee considered that the interim consolidated financial statements and interim report for the six months ended 30 June 2011 have complied with the requirements of applicable accounting standards and laws and appropriate disclosures were made.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Company recognises the value and importance of good corporate governance to enhance corporate performance and accountability.

The Board considered that the Company had complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") as stated in Appendix 14 to the Listing Rules during the Period. The Company periodically reviews its corporate governance practices to announce its continuous compliance with the Code and the Listing Rules. None of the Directors is aware of any information that would reasonably indicate that the Company is not or was not for any time of the Period in compliance with the requirement of the Code.

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

During the Period, the Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors of the Company.

After specific enquiries to the Board, the Board is pleased to confirm that all Directors and Supervisors had confirmed that they have fully complied with the Model Code during the Period.

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

Chengdu, the PRC, 26 August 2011

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

Executive Directors:	Mr. Zhang Xiaocheng *(Chairman)*, Mr. Guo Aiqing, Ms. Fu Ruolin, Mr. Chen Ruowei, Mr. Su Wenyu and Mr. Jiang Jianping
Independent Non-executive Directors:	Mr. Choy Sze Chung, Jojo, Mr. Wu Zhengde and Mr. Li Yuanpeng

* *For identification purposes only*