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)

2013 INTERIM RESULTS ANNOUNCEMENT

SUMMARY

- The Group recorded a turnover of RMB448,906,530.84 for the six months ended 30 June 2013 (the "Period"), representing an increase of approximately 68.14% as compared to the corresponding period last year.

- During the Period, sales of copper cables and related products amounted to RMB136,843,234.03, representing a decrease of approximately 16.24% 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 RMB78,910,537.12, representing a decrease of approximately 4.50% 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 RMB24,282,866.75, representing an increase of approximately 14.10% as compared to the corresponding period last year. Sales of optical fibers and optical cables by Putian Fasten Cable Telecommunication Co., Ltd. amounted to RMB215,559,105.58.

- During the Period, loss attributable to the shareholders was RMB29,442,011.27, as compared to a loss of RMB49,530,572.68 recorded for the corresponding period last year. Profit attributable to minority shareholders was RMB10,643,330.56, as compared to a profit of RMB4,945,371.28 for the corresponding period last year.

- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013.

* *For identification purposes only*

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 2013 (the "Period") are set out as follows:

CONSOLIDATED BALANCE SHEET

Made by: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED
30 JUNE 2013 *Monetary unit: RMB*

Item	End of period	Beginning of period
Current assets:		
Cash and bank balances	**226,127,753.50**	219,904,310.13
Reserved deposits		
Loans to other banks		
Transactional financial assets		
Bills receivable	**46,197,794.40**	51,453,086.64
Accounts receivable	**287,698,256.73**	100,375,592.35
Prepayments	**16,437,420.50**	3,552,218.93
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance accounts receivable reserve		
Interest receivable		
Dividends receivable		
Other receivables	**83,026,184.03**	27,305,810.79
Put option		
Inventories	**307,097,447.61**	209,386,655.70
Current Portion of non-current assets		
Other current assets		153,945.60
Total current assets	**966,584,856.77**	612,131,620.14

Item	End of period	Beginning of period
Non-current assets:		
Loans and advances		
Available-for-sale financial assets	**10,677,888.00**	13,463,424.00
Held-to-maturity investment		
Long-term accounts receivable		
Long-term equity investments	**181,260,052.66**	232,584,011.22
Investment property	**11,102,834.27**	3,218,586.22
Fixed assets	**537,295,701.55**	386,065,150.35
Construction in progress	**113,348,737.45**	11,523,787.59
Construction material		
Disposal of fixed assets		
Productive Biological Assets		
Oil and gas		
Intangible assets	**80,886,663.95**	37,612,043.22
Development cost		
Goodwill		
Long term prepaid expenses	**742,517.95**	
Deferred tax assets	**20,129,096.54**	18,273,494.72
Other non-current assets		
Total non-current assets	**955,443,492.37**	702,740,497.32
Total assets	**1,922,028,349.14**	1,314,872,117.46

Item	End of period	Beginning of period
Current liabilities:		
Short term loans	**186,000,000.00**	11,000,000.00
Borrowings from central bank		
Deposits taking and inter-bank deposits		
Loans from other banks		
Transactional financial liabilities		
Bills payable	**2,926,000.00**	
Accounts payable	**194,885,175.13**	66,971,873.01
Receipt in advance	**11,611,581.57**	7,233,688.39
Call option		
Handling charges and commissions payable		
Staff remuneration payables	**17,925,623.72**	19,601,726.69
Tax payable	**-23,947,989.12**	-19,360,945.98
Interest payable		
Dividend payable	**6,000,000.00**	
Other payables	**68,628,725.61**	44,490,589.46
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	**464,029,116.91**	129,936,931.57

Item	End of period	Beginning of period
Non-current liabilities:		
Long term loans	**8,695,864.53**	8,980,918.20
Bonds payable		
Long-term accounts payable		
Designate accounts payable		
Provision		
Deferred tax liabilities	**1,192,483.20**	1,610,313.60
Other non-current liabilities	**82,312,383.28**	83,835,323.48
Total non-current liabilities	**92,200,731.01**	94,426,555.28
Total liabilities	**556,229,847.92**	224,363,486.85
Equity:		
Share capital	**400,000,000.00**	400,000,000.00
Capital reserve	**658,011,048.72**	660,378,754.32
Less: treasury shares		
Special reserve		
Surplus reserve	**8,726,923.61**	8,726,923.61
General risk reserve		
Retained earnings	**-94,853,040.05**	-65,411,028.78
Translation reserve		
Total equity attributable to the equity holders of the Company	**971,884,932.28**	1,003,694,649.15
Minority interest	**393,913,568.94**	86,813,981.46
Total equity	**1,365,798,501.22**	1,090,508,630.61
Total liabilities and equity	**1,922,028,349.14**	1,314,872,117.46

CONSOLIDATED INCOME STATEMENT

Made by: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

FOR THE SIX MONTHS ENDED 30 JUNE 2013 *Monetary unit: RMB*

Item	**Current period**	Prior period
I. Total operating income	**448,906,530.84**	266,977,867.18
Operating income	**448,906,530.84**	266,977,867.18
Interest income		
Insurance premiums earned		
Handling charges and commissions income		
II. Total operating costs	**467,090,258.61**	298,808,528.17
Operating costs	**393,217,644.94**	248,963,071.61
Interest expense		
Handling charges and commissions		
Refund of insurance premiums		
Net payments for insurance claims		
Net provision for insurance contracts		
Commissions on insurance policies		
Cession charges		
Business taxes and surcharges	**1,603,221.71**	786,149.40
Selling expenses	**20,361,098.04**	18,566,466.20
Administration expenses	**51,479,283.87**	31,236,241.84
Finance costs	**308,252.63**	-743,400.88
Assets impairment loss	**120,757.42**	
Add: Gains/(losses) on changes in fair value		
Gains/(losses) on investment	**-6,221,428.95**	-9,903,772.31
Including: Gains/(losses) on investment in associates and jointly controlled entities	**-6,323,958.56**	-9,903,772.31
Exchange gains/(losses)		

Item	Current period	Prior period
III. Operating profit/(loss)	**-24,405,156.72**	-41,734,433.30
Add: Non-operating income	**7,090,193.98**	3,500.00
Less: Non-operating expenses	**83,328.21**	77,577.24
Including: Loss on disposal of non-current assets	**-108,921.72**	57,530.40
IV. Total profit/(loss)	**-17,398,290.95**	-41,808,510.54
Less: Income tax expenses	**1,400,389.76**	2,776,690.86
V. Net profit/(loss)	**-18,798,680.71**	-44,585,201.40
Net profit attributable to parent company's shareholders	**-29,442,011.27**	-49,530,572.68
Minority interests	**10,643,330.56**	4,945,371.28
VI. Earnings per share:		
(i) Basic earnings per share (RMB/share)	**-0.07**	-0.12
(ii) Diluted earnings per share (RMB/share)	**-0.07**	-0.12
VII. Other comprehensive income	**-1,397,604.00**	
VIII. Total comprehensive income	**-20,196,284.71**	-45,982,805.40
Total comprehensive income attributable to the Company's shareholders	**-30,839,615.27**	-50,928,176.68
Total comprehensive income attributable to minority interests	**10,643,330.56**	4,945,371.28

CONSOLIDATED CASH FLOW STATEMENT

Made by: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

FOR THE SIX MONTHS ENDED 30 JUNE 2013 *Monetary unit: RMB*

Item	Current period	Prior period
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	**404,548,027.12**	248,754,799.99
Net increase in customer deposit and interbank deposit		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premium received for insurance contracts		
Premium received for reinsurance contracts, net		
Net increase in reserve fund and investment		
Net increase in disposal of transactional financial assets		
Interests, handling charges and commissions received		
Net increase in loans from other banks		
Net increase in repurchase fund		
Tax refund		
Other cash received from activities related to operation	**6,227,187.56**	33,746,316.64
Sub-total of cash inflow from operating activities	**410,775,214.68**	282,501,116.63
Cash paid for purchasing goods or receiving services	**358,159,920.61**	183,523,771.28
Net increase in loans and advances to customer		
Net increase in deposits with central bank and inter-bank		
Compensation paid for insurance contract		
Interest, handling charges and commissions paid		
Bonus payment for insurance contract		
Cash paid to and on behalf of employees	**47,084,088.35**	30,510,461.48
Cash paid for all types of taxes	**22,301,112.09**	15,139,399.17
Other cash paid for activities related to operation	**58,873,273.52**	35,338,067.85
Sub-total of cash outflow from operating activities	**486,418,394.57**	264,511,699.78
Net cash flow from operating activities	**-75,643,179.89**	17,989,416.85

Item	Current period	Prior period
II. Cash flow from investment activities:		
Cash received from divestments	**28,600,000.00**	
Cash received from return of investment	**102,529.61**	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**420,416.91**	8,556.00
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	**29,122,946.52**	8,556.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**73,707,556.36**	9,093,995.61
Cash paid for investment	**17,140,200.00**	
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid for activities related to investment	**28,600,000.00**	
Sub-total of cash outflow from investment activities	**119,447,756.36**	9,093,995.61
Net cash flow from investment activities	**-90,324,809.84**	-9,085,439.61

Item	Current period	Prior period
III. Cash flow from financing activities:		
Cash received from investment		
Including: Cash received from subsidiaries absorbing minority's investment		
Proceeds from loans	**90,000,000.00**	5,000,000.00
Cash received from bonds issued		
Other cash received from activities related to financing		
Sub-total of cash inflow from financing activities	**90,000,000.00**	5,000,000.00
Repayment of loans	**55,000,000.00**	5,000,000.00
Cash paid for dividends, profit, or interests	**3,562,496.88**	810,558.90
Including: Dividend and profits paid to minority shareholders of the subsidiaries		
Other cash paid for activities related to financing	**450,000.00**	
Sub-total of cash outflow from financing activities	**59,012,496.88**	5,810,558.90
Net cash flow from financing activities	**30,987,503.12**	-810,558.90
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	**-134,980,486.61**	8,093,418.34
Add: beginning balance of cash and cash equivalents	**361,108,240.11**	242,284,772.64
VI. Ending balance of cash and cash equivalents	**226,127,753.50**	250,378,190.98

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Made by: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

FOR THE SIX MONTHS ENDED 30 JUNE 2013 *Monetary unit: RMB*

	Current period										
	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 interests	Total shareholder's equity
I. Balance at the end of last year	400,000,000.00	660,378,754.32			8,726,923.61		–65,411,028.78		1,003,694,649.15	86,813,981.46	1,090,508,630.61
Add: changes of accounting policy											
Prior period errors correction											
Others											
II. Balance at the beginning of the year	400,000,000.00	660,378,754.32			8,726,923.61		–65,411,028.78		1,003,694,649.15	86,813,981.46	1,090,508,630.61
III. Increase/(decrease)		–2,367,705.60					–29,442,011.27		–31,809,716.87	307,099,587.48	275,289,870.61
(i) Net profit							–29,442,011.27		–29,442,011.27	10,643,330.56	–18,798,680.71
(ii) Other comprehensive income		–2,367,705.60							–2,367,705.60		–2,367,705.60
the sum of (i) and (ii)		–2,367,705.60					–29,442,011.27		–31,809,716.87	10,643,330.56	–21,166,386.31
(iii) Shareholders increase or decrease capital										302,456,256.92	302,456,256.92
1. capital invested by owners (paid-up capital of Fasten)											
2. share-based payment recorded into shareholders' equity											
3. others (capital reserve of Fasten)										302,456,256.92	302,456,256.92
(iv) Distribution of profit										–6,000,000.00	–6,000,000.00
1. appropriation to surplus reserves											
2. appropriation to general risk provision											
3. distribution to owners (or shareholders)										–6,000,000.00	–6,000,000.00
4. others											
(v) Transfer within owners' equity											
1. transferred from capital surplus											
2. transferred from surplus reserve											
3. surplus reserve marked up losses											
4. others											
(vi) Special reserves											
1. appropriation this period											
2. use in this period											
IV. Balance at the end of the period	400,000,000.00	658,011,048.72			8,726,923.61		–94,853,040.05		971,884,932.28	393,913,568.94	1,365,798,501.22

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Made by: CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

FOR THE SIX MONTHS ENDED 30 JUNE 2013 *Monetary unit: RMB*

	Prior period										
	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 interests	Total shareholder's equity
I. Balance at the end of last year	400,000,000.00	659,009,711.28			8,726,923.61		32,302,989.58		1,100,039,624.47	81,640,130.47	1,181,679,754.94
Add: changes of accounting policy											
Prior period errors correction											
Others											
II. Balance at the beginning of the year	400,000,000.00	659,009,711.28			8,726,923.61		32,302,989.58		1,100,039,624.47	81,640,130.47	1,181,679,754.94
III. Increase/(decrease)		1,369,043.04					-97,714,018.36		-96,344,975.32	5,173,850.99	-91,171,124.33
(i) Net profit							-97,714,018.36		-97,714,018.36	9,173,850.99	-88,540,167.37
(ii) Other comprehensive income											
the sum of (i) and (ii)							-97,714,018.36		-97,714,018.36	9,173,850.99	-88,540,167.37
(iii) Shareholders increase or decrease capital		-559,041.60							-559,041.60		-559,041.60
1. capital invested by owners											
2. share-based payment recorded into shareholders' equity											
3. others		-559,041.60							-559,041.60		-559,041.60
(iv) Distribution of profit		1,928,084.64							1,928,084.64	-4,000,000.00	-2,071,915.36
1. appropriation to surplus reserves											
2. appropriation to general risk provision											
3. distribution to owners (or shareholders)										-4,000,000.00	-4,000,000.00
4. others		1,928,084.64							1,928,084.64		1,928,084.64
(v) Transfer within owners' equity											
1. transferred from capital surplus											
2. transferred from surplus reserve											
3. surplus reserve marked up losses											
4. others											
(vi) Special reserves											
1. appropriation this period											
2. use of this period											
IV. Balance at the end of the period	400,000,000.00	660,378,754.32			8,726,923.61		-65,411,028.78		1,003,694,649.15	86,813,981.46	1,090,508,630.61

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 the 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 (Stock Code: 1202). 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 holds RMB240,000,000 representing 60% of the total shares; public shareholders hold RMB160,000,000 representing 40% of the total shares (H Shares).

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: general administrative department, audit department, finance department, human resources department, China Communist Party Committee, quality control department, production safety department, investment management department, equipment engineering department and cable technology department, laboratory testing centre and the supply company). Currently, the Company has 4 holding subsidiaries, 1 jointly controlled entity and 2 associates.

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

Scope of business: technological research and development, product manufacturing, sales and services of wires and cables, optical fibres and optical cables, specialized materials used for cables, irradiation processing, cable accessories, specialized facilities and equipment and the equipment and facilities for various information industry products (excluding products restricted and prohibited by the State); import and export, wholesaling and retailing and commission agency (excluding auction) of commodities with respect to the aforesaid products; wholesaling and retailing and commission agency (excluding auction) of domestically procured commodities (excluding specialized commodities), technical consultancy and provision of technological services.

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, pursuant to which 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 the share transfer. "Guozichanquan [2005] No. 287" was issued by the State Owned Assets Supervision and Administration Commission of the State Council on 10 March 2005 and "Shangzipi [2005] No. 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.

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared on the going concern basis, reflecting the business transactions and affairs actually incurred, in accordance with the Basic Standard and the 38 specific standards of Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, the Application Guidance of Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other regulations in China issued thereafter (hereafter referred to as "the Accounting Standards for Business Enterprises"). The financial statements have also been prepared based on the following principal accounting policies and accounting estimates.

3. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements prepared by the Company complied with the requirements of the Accounting Standards for Business Enterprises, which reflect truly and completely the Company's financial position as at 30 June 2013, and also the operating results, cash flows and other relevant information for the six months ended.

4. SEGMENT INFORMATION

The Group has three main reportable segments, being manufacture and sale of (i)copper cable and related products, (ii) optical fibers and related products and (iii) cable joining sleeves and related products. The above reportable segments is a single operating segment and have not combined one or more operating segments.

Segment information about these reportable segments for the six months ended 30 June 2013 and 2012 is presented below:

	Six months ended 30 June 2013 (Unaudited)				
Reportable segments turnover	**Manufacture and sale of cooper cable and related products**	**Manufacture and sale of optical fibers and related products**	**Manufacture and sale of cable joining sleeves and related products**	**Elimination**	**Consolidated**
External turnover	**242,494,283.56**	**170,404,813.19**	**27,233,339.78**		**440,132,436.53**
Inter segments turnover					
Total turnover	**242,494,283.56**	**170,404,813.19**	**27,233,339.78**		**440,132,436.53**
Segments results (Adjusted EBITDA)	**13,779,930.85**	**41,205,866.25**	**4,937,907.65**		**59,923,704.75**
Finance costs					**-4,822,515.98**
Share of results of associates					**-6,221,428.95**
Depreciation and amortization					**-28,663,111.75**
Unallocated operation expense					**-71,840,381.91**
Loss before tax					**-17,398,290.95**

	Six months ended 30 June 2012 (Unaudited)				
Reportable segments turnover	Manufacture and sale of cooper cable and related products	Manufacture and sale of optical fibers and related products	Manufacture and sale of cable joining sleeves and related products	Elimination	Consolidated
External turnover	141,241,324.55	82,267,622.30	22,039,643.18		245,548,590.03
Inter segments turnover					
Total turnover	141,241,324.55	82,267,622.30	22,039,643.18		245,548,590.03
Segments results (Adjusted EBITDA)	3,764,741.84	26,073,918.69	3,736,747.08		33,575,407.61
Finance costs					-1,273,590.58
Share of results of associates					-9,903,772.31
Depreciation and amortization					-16,423,151.68
Unallocated operation expense					-47,783,403.58
Loss before tax					-41,808,510.54

5. LOSS BEFORE TAX

Loss before tax after charging/(crediting):

		Jan–Jun 2013 (Unaudited)	Jan–Jun 2012 (Unaudited)
1.	Finance Cost		
	Interest on borrowings	**4,822,515.98**	1,273,590.58
2.	Other items		
	Amortization of technical know-how	**225,207.59**	58,540.92
	Amortization of land use rights	**743,665.62**	498,666.36
	Depreciation of property, plant and equipment	**27,694,238.54**	15,865,944.4
	Loss on disposal of equipments	**-108,921.72**	57,530.40
	Reversal of provision for impairment loss on trade receivables		
	Interest income	**2,985,815.55**	-2,060,143.49

6. INCOME TAX EXPENSE

	Jan–Jun 2013 (Unaudited)	Jan–Jun 2012 (Unaudited)
Income tax expense for the period according to tax laws and related regulations	**2,255,360.61**	2,776,690.86
Adjustment for deferred income tax	**-854,970.85**	
	1,400,389.76	2,776,690.86

In accordance with related requirements of 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) and Chuan Gao Qi Ren [2011] No.4 issued by the High-tech Enterprise Accreditation Management Team of Sichuan, the Company and its subsidiaries Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant, Chengdu SEI Optical Fiber Co., Ltd., and Chengdu MCIL Radio Communications Cable Co., Ltd. are recognised as High-tech enterprises and entitled to a preferential tax rate of 15% for High-tech enterprises.

7. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the Period is based on the Group's loss attributable to owners of the Group of approximately RMB–29,442,011.27 (six months ended 30 June 2012: loss of approximately RMB–49,530,572.68) and weighted average number of 400,000,000 shares (six months ended 30 June 2012: 400,000,000 shares) in issue during the period.

(b) Diluted earnings per share

Diluted earnings per share are not presented as there were no dilutive potential shares during the six months ended 30 June 2013 and 2012.

9. PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

During the Period, the Group spent approximately RMB74,000,000 (six months ended 30 June 2012: RMB9,000,000) in additions to property, plant and equipment. No payment was spent by the Group in additions to land use rights during both periods.

10. TRADE AND BILLS RECEIVABLES

Age	**30.6.2013 (Unaudited)**	31.12.2012 (Audited)
Within 1 year	**312,107,606.44**	138,946,836.04
1 year to 2 years	**16,837,856.29**	7,759,769.36
2 years to 3 years	**8,257,517.37**	7,796,418.77
3 years to 5 years	**10,094,318.55**	3,332,280.64
over 5 years	**34,207,635.64**	37,768,856.47
Total	**381,504,934.29**	195,604,161.28

11. DEPOSITS WITH INCUMBRANCE

Item	**30.6.2013 (Unaudited)**	31.12.2012 (Audited)
Pledged deposits	**9,962,571.21**	8,322,953.39
Designated deposits		
Total	**9,962,571.21**	8,322,953.39

12. ASSETS CLASSIFIED AS HELD-FOR-SALE

During the Period, the Group had no assets classified as held-for-sale (six months ended 30 June 2012: Nil).

13. TRADE AND BILLS PAYABLES

Age	**30.6.2013 (Unaudited)**	31.12.2012 (Audited)
Within 1 year	**185,697,782.72**	56,916,218.07
1 year to 2 years	**2,159,934.00**	8,277,057.31
2 years to 3 years	**4,041,267.32**	450,344.45
over 3 years	**5,912,191.09**	1,328,253.18
Total	**197,811,175.13**	66,971,873.01

14. SHARE CAPITAL

	30.6.2013 (Unaudited)	31.12.2012 (Audited)
Stated owned legal person shares	**240,000,000.00**	240,000,000.00
Overseas listed foreign investor shares	**160,000,000.00**	160,000,000.00
Total	**400,000,000.00**	400,000,000.00

15. PLEDGE OF ASSETS

For the period/year ended, the Group pledged the following assets to banks as credit's guarantee of the Group:

	30.6.2013 (Unaudited)	31.12.2012 (Audited)
Bank Deposits	**9,962,571.21**	8,322,953.39

16. RELATED PARTY TRANSACTIONS AND BALANCES

(a) During the six months ended 30 June 2013 and 2012, the Group entered into the following transactions with related parties:

	Jan-Jun 2013 (Unaudited)	Jan-Jun 2012 (Unaudited)
Ultimate holding company and its subsidiaries		
— Sale of finished goods	**6,689,212.64**	9,431,774.89
Associates:		
— Sale of finished goods	**10,932,784.04**	11,851,283.79
— Purchase of raw material	**11,252,704.33**	34,410,897.21

(b) The balances with associates and related companies are unsecured and repayable on demand and without interest.

17. DIRECTORS' REMUNERATION

Details of the directors' remuneration for the six months ended 30 June 2013 are set out below:

Directors' name	**Directors' salaries**	**Bonuses**	**Allowances**	**Social securities**	**Sub-total**
Executive directors:					
Zhang Xiaocheng					
Ping Hao	**61,062.00**		**22,800.00**	**32,984.94**	**116,846.94**
Cong Huisheng					
Chen Ruowei					
Du Xinhua					
Fan Xu	**49,878.00**		**22,800.00**	**26,054.10**	**98,732.10**
Independent non-executive directors:					
Choy Sze Chung, Jojo	**25,000.02**				**25,000.02**
Wu Zhengde (resigned on 16 May 2013)	**25,000.02**				**25,000.02**
Li Yuanpeng	**25,000.02**				**25,000.02**
Total	**185,940.06**		**45,600.00**	**59,039.03**	**290,579.09**

Details of the directors' remuneration for the six months ended 30 June 2012 are set out below:

Directors' name	Directors' salaries	Bonuses	Allowances	Social securities	Sub-total
Executive directors:					
Zhang Xiaocheng					
Guo Aiqing	61,062.00		4,840.00	17,589.75	83,491.75
Chen Ruowei					
Fu Ruolin					
Su Wenyu					
Jiang Jianping					
Independent non-executive directors:					
Choy Sze Chung, Jojo	25,000.02				25,000.02
Wu Zhengde	25,000.02				25,000.02
Li Yuanpeng	25,000.02				25,000.02
Total	136,062.06		4,840.00	17,589.75	158,491.81

During the six months ended 30 June 2013, the remuneration of the five highest paid individuals in the Company (including two Directors whose remuneration has been listed in the above table) is set out below:

Item	**Jan-Jun 2013**	Jan-Jun 2012
Salaries	**244,608.00**	235,209.00
Bonuses	**15,265.50**	
Allowances	**60,000.00**	32,940.00
Social securities	**106,857.14**	102,634.04
Total	**426,730.64**	370,783.04

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 RMB448,906,530.84, representing an increase of approximately 68.14% as compared to the corresponding period last year.

During the Period, sales of copper cables and related products amounted to RMB136,843,234.03, representing a decrease of approximately 16.24% 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 RMB78,910,537.12, representing a decrease of approximately 4.50% 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 RMB24,282,866.75, representing an increase of approximately 14.10% as compared to the corresponding period last year. Sales of optical fibers and optical cables by Putian Fasten Cable Telecommunication Co., Ltd. amounted to RMB215,559,105.58.

Major reasons for loss from principal operations include:

1. The returns was less than expected due to the insufficient effective productivity of electrical equipment cables, being the key project of the Company; and

2. Customers' demand for traditional copper cables, such as plastic cables and program-controlled cables was severely reduced.

(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 the 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. *Promoted the strategic management and strengthened its directing effect*

   The Company has established 3 strategic themes for the year: to improve the sales revenue for the existing businesses, to enhance the effectiveness of budgetary management and control, and to strengthen the ability in investment management. Thematic meetings regarding sales work were held every month, analyzing the marketing plans and its implementation for each business in detail, and procuring to identify any problems and response timely.

2. *Emphasized the directing effect of comprehensive budget and performed budget tracking, deviation analysis and monitoring*

   Two internal inquiries regarding budget were held to corresponding department so as to confirm the feasibility of the budget. The implementation of budget was tracked and budget analysis was performed monthly. The reimbursement of expenses as well as the reimbursement of non-budgetary expenses were strictly controlled based on the internal budget. Warning of the impact on the total budgeted profit for the year by any additional budget in advance would be prompted in the monthly financial budget analysis.

3. *Further enhancement in the efficiency of human resources management*

   The Company formulated the 2013 CHENGDU PUTIAN Key Performance Indicator (KPI) for Department ("2013 KPI") on the basis of the performance evaluation throughout the Company and by reference to its annual targets, strategic plans and key task for the year for the purpose of reinforcement of employee evaluation by analyzing the duties and responsibilities of each department, highlighting "to work in compliance with standards, to manage throughout the Company, to evaluate in all aspects and to reward and punish with grounds", governing from each department to each job and to each employee with combination of encouragement and restrictions, whereby strengthening the control effectiveness of the Company and improving employees' executive abilities.

4. *Implemented comprehensive risk clearance throughout the Company*

   Through strengthening the knowledge of relevant laws and regulations, determining the responsible officer of each department for risk management and establishing the risk management system at the department level, risk management can be integrated with normal production and operation management. The management dealt with risk exposures and business process through system assessment and comparative inspections in a prudent and comparative way. The audit department, together with all other departments, is accountable for minimizing risks by carrying out inspections on inventories and account receivables of the Company at least quarterly in order to enhance the risk control capability of the Company.

(III) Financial analysis

As at 30 June 2013, the Group's total assets amounted to approximately RMB1,922,028,349.14, representing an increase of around 46.18% from RMB1,314,872,117.46 as at the end of last year, of which the total non-current assets amounted to RMB955,443,492.37, accounting for approximately 49.71% of the total assets and representing an increase of approximately 35.96% from RMB702,740,497.32 as at the end of last year. As at 30 June 2013, the Group's total current assets amounted to approximately RMB966,584,856.77, accounting for approximately 50.29% of total assets and representing an increase of approximately 57.90% from approximately RMB612,131,620.14 as at the end of last year.

The net cash outflow from operating activities of the Group during the Period amounted to approximately RMB75,643,179.89 while the net cash inflow for the corresponding period last year was approximately RMB179,989,416.85.

As at 30 June 2013, the Group's bank balances and cash (including incumbranced deposits) amounted to approximately RMB226,127,753.50, representing an increase of around 2.83% from approximately RMB219,904,310.13 as at the end of last year.

As at 30 June 2013, the Group's total liabilities amounted to approximately RMB556,229,847.92 (as at 31 December 2012: approximately RMB224,363,486.85). The liability to asset ratio was approximately 28.94%, representing an increase of approximately 11.88% as compared to approximately 17.06% as at the end of last year. Bank and other borrowings due within one year amounted to RMB186,000,000.00.

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

During the Period, the Group's distribution costs, administrative and other operating expenses and finance costs amounted to approximately RMB20,361,098.04, RMB51,479,283.87 and RMB308,252.63 respectively, representing an increase of approximately 9.67%, an increase of approximately 64.81% and an increase of RMB1,051,653.51 from RMB18,566,466.20, RMB31,236,241.84 and RMB-743,400.88 respectively in the corresponding period last year.

During the Period, the average gross profit margin of the Group was approximately 12.41%, representing an increase of around 5.66% from 6.75% in the corresponding period last year.

1. *Analysis of liquidity*

   As at 30 June 2013, the Group's current ratio and quick ratio were approximately 2.08 and 1.42 respectively.

2. *Analysis of financial resources*

   As at 30 June 2013, the Group's short-term bank loans and other loans amounted to approximately RMB186,000,000.00. As the Group had comparatively sufficient bank deposits and cash with a total amount of approximately RMB226,127,753.50, the Group does not have short term solvency risk.

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 the Group's capital, the Group has established a stringent and sound financial management system. During the Period, no inappropriate conduct was noted such as default in payment of due debts and failure of 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. *Continue to improve the business layout*

   Optical business: The Company will continue to promote the integration of industry business chains, strengthen the strategic advantages of key business segments including optical wands, speed up the construction of the production base of Putian Fasten Cable Telecommunication Co. Ltd. in Chengdu Putian for the earliest production of the related projects and provide proper accommodation for employees to dig up the profitability of the Company's assets in good use.

   Copper cables business: The Company will strengthen sales and marketing and precision management in order to realize the anticipated large-scale production of electrical equipment cable products, expand the market share of wireless co-axial cable products by seizing the opportunities arising from the mobile internet, and determine the operation mode for ultra fine electronic cable products.

   Other businesses: The Company will continue to enhance the business of heat shrinkable products and composite belt products, aiming to turn loss into profits, and to promote the healthy development of wireless communication product projects.

2. *Further improve management level*

   (1) *To achieve substantial progress in human resources, reorganisation and restructuring*

   Based on the principle of people oriented, the Company is implementing restructuring, substantially renovating remuneration system and simultaneously completing staff arrangement to make best use of human resources.

   (2) *To strengthen investment management and risk control for revenue growth.*

   The Company will, based on careful market analysis, invest its funds in projects with suitable income stream and low risk exposures.

   (3) *To realize process reengineering*

   The entire work flow of the Company will be reformed through management process reengineering which was carried out in line with market in pursuit of global optimization and high profitability.

3. *To optimize the management of budget enforcement process to ensure accomplishment of the annual budget*

   Based on annul budget target and KPI, the Company will reinforce monthly financial analysis, sales analysis and budget inquiry, in particular, to carefully analyze its operation status, make conclusions, identify problems and implement cost-effective solutions as well as measures on turning loss into gains to ensure accomplishment of its annual budget.

(V) Significant events

1. *Update on Formation of Joint Venture Company*

   On 5 April 2013, the Original Joint Venture Parties (i.e. the Company, China Potevio Company Limited ("China Potevio" or "CPCL"), Jiangsu Fasten Hongsheng Group Co. Ltd. ("Fasten Group") and Jiangsu Fasten Company Limited), Fasten Group Co. Ltd. ("Fasten Co. Ltd.") and Jiangyin Enterprise Technology Investments Co. Ltd. ("Jiangyin Enterprise") entered into the Amended Joint Venture Contract pursuant to which the parties agreed that the 31% interest in the Joint Venture Company which was originally proposed to be held by Fasten Group would be held by Fasten Co. Ltd. and Jiangyin Enterprise as to 24.8% and 6.2% respectively. Accordingly, Fasten Co. Ltd. and Jiangyin Enterprise would contribute the capital of RMB124 million and RMB31 million respectively. Fasten Co. Ltd. would contribute RMB124 million by transferring 82.003% interests in Jiangsu Fasten Photonics Co., Ltd. ("Fasten Photonics") to the Joint Venture Company and Jiangyin Enterprise would contribute RMB31 million in cash.

   On 5 April 2013, Putian Fasten Cable Telecommunication Co. Ltd. (the "Joint Venture Company") entered into acquisition agreements pursuant to which the Joint Venture Company agreed to acquire the entire equity interest in each of Jiangsu Fasten Optical Cable Co., Ltd. ("Fasten Optical") and Fasten Photonics. The consideration for acquisition of Fasten Optical is RMB121,996,000, and Fasten Co. Ltd. agreed to transfer the remaining 17.997% equity interest in Fasten Photonics to the Joint Venture Company at the consideration of RMB27,519,197.

   The formation of the Joint Venture Company and acquisition of Fasten Optical and Fasten Photonics which constituted a very substantial acquisition and connected transaction of the Company was approved by the independent shareholders of the Company at the extraordinary general meeting convened on 31 July 2013.

2. *Very Substantial Disposal of Interest in an Associated Company*

   On 5 April 2013, the Company entered into the Disposal MOU with the Purchaser pursuant to which the Company shall sell, and the Purchaser shall purchase, the 49% equity interest in Chengdu CCS Optical Cable Co., Ltd. ("Chengdu CCS"). Since the equity interest in Chengdu CCS is regarded as state-owned assets under the relevant PRC rules, any transfer of the equity interest in Chengdu CCS is subject to the bidding to be held at Shanghai United Asset and Equity Exchange (上海聯合產權交易所). As disclosed in the announcement, the lowest price to be quoted at the bidding will be RMB230 million. As the applicable percentage ratio in relation to the Disposal (calculated with reference to the minimum consideration of RMB230 million) exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Rule 14.06(4) of the Listing Rules and, therefore, is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The bidding was completed on 3 June 2013, Corning Mauritius Co., Ltd. successfully bid to acquire 49% interest in Chengdu CCS at the consideration of RMB290 million.

   The disposal of interest in an associated company which constituted a very substantial disposal of the Company was approved by the shareholders of the Company at the extraordinary general meeting on 31 July 2013.

3. *Resignation of Independent Non-executive Director and Appointment of new Independent Non-Executive Director*

   Mr. Wu Zhengde has resigned as an independent non-executive director, member of the audit committee, nomination committee and strategic development and chairman of the remuneration and appraisal committee of the Company, with effect from 16 May 2012.

   Mr. Xiao Xiaozhou was appointed as an independent non-executive director of the Company at the extraordinary general meeting on 31 July 2013.

OVERDUE TIME DEPOSITS

As at 30 June 2013, the Group did not have any deposit and trust deposit with non-banking financial institutions nor time deposits that cannot be recovered on maturity.

ENTERPRISE INCOME TAX

According to the regulations of "High-tech enterprise recognition and management method" (Guokefahuo [2008] No. 172) and "Working guidelines for the recognition and management of high-tech enterprises" (Guokefahuo [2008] No. 362), and according to Chuangaoqiren [2011] No. 4 issued by the Sichuan High-tech Enterprise Recognition and Management Group, the Company and its subsidiaries, Chengdu Telecom Cable Shuangliu Heat Shrinkable Product Plant, Chengdu SEI Optical Fiber Co., Ltd. and Chengdu MCIL Radio Communications Co., Ltd. are recognized as high-tech enterprises and enjoy the High-tech Enterprises Preferential Tax Rate of 15%.

STAFF AND REMUNERATION POLICY OF THE GROUP

As at 30 June 2013, the Group had 2,039 staff members.

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 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 total issued share capital of the Company remained at 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 2013, the largest shareholder of the Company was 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 2013, HKSCC Nominees Limited ("HKSCC", holding shares of the Company on behalf of various customers) held 155,346,998 H Shares, representing 38.84% 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 2013, the Central Clearing and Settlement System ("CCASS") participants holding 5% or more of the total issued H Shares of the Company are shown as follows:

	Number of H Shares held as at 30 June 2013	Percentage of H Shares	Percentage of total issued share capital
CCASS participant			
The Hongkong & Shanghai Banking Corporation Limited	22,231,100	13.89%	5.56%
Citic Securities Brokerage (HK) Limited	13,483,000	8.42%	3.37%
Bank of China (Hong Kong) Limited	12,778,000	7.98%	3.19%
BOCI Securities Limited	10,571,000	6.60%	2.64%

Save as disclosed above, as at 30 June 2013, 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 2013, 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 best 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 (Chairman), Mr. Li Yuanpeng and Mr. Xiao Xiaozhou.

The Audit Committee is primarily responsible for the internal control and financial review and reporting matters of the Company and making recommendation to the Board on the appointment and/or 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 2013. The Audit Committee considered that the interim consolidated financial statements and interim report for the six months ended 30 June 2013 have complied with the requirements of applicable accounting standards and laws and appropriate disclosures were made.

CORPORATE GOVERNANCE CODE

The Company believes that the value and importance of good corporate governance will help 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 during the period from 1 January 2013 to 30 June 2013 (the "CG Code") as stated in Appendix 14 to the Listing Rules during the Period. The Company periodically reviews its corporate governance to ensure its continuous compliance with the CG Code. 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 requirements of the CG Code.

* *For identification purposes only*

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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, 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, 29 August 2013

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

Executive Directors:	Mr. Zhang Xiaocheng *(Chairman)*, Mr. Ping Hao, Mr. Cong Huisheng, Mr. Chen Ruowei, Mr. Du Xinhua and Mr. Fan Xu
Independent Non-executive Directors:	Mr. Choy Sze Chung, Jojo, Mr. Li Yuanpeng and Mr. Xiao Xiaozhou