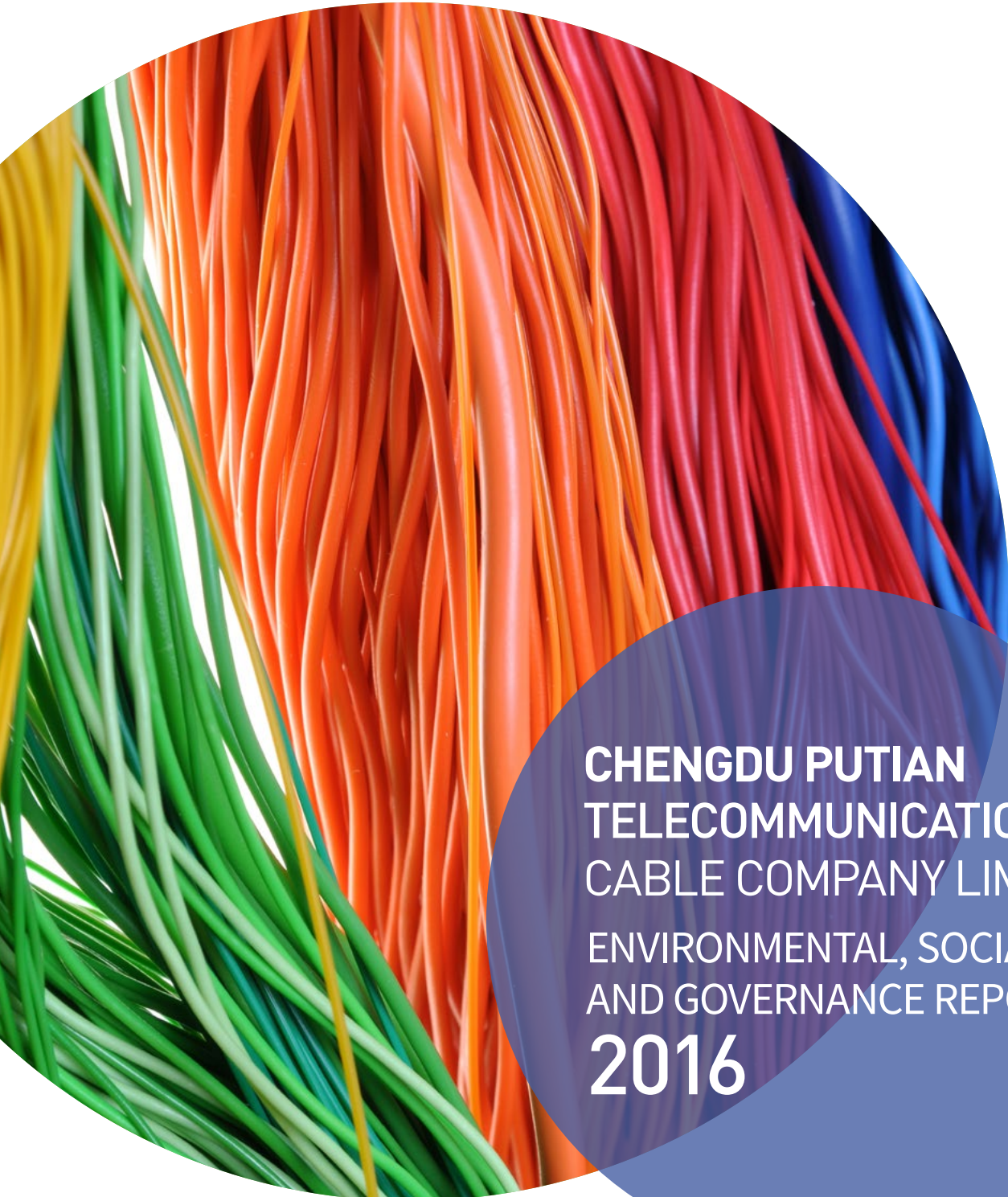


Stock code:01202

Potevio
中国普天



**CHENGDU PUTIAN
TELECOMMUNICATIONS
CABLE COMPANY LIMITED**
ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT
2016

www.cdc.com.cn



CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED

2016 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

● About This Report	01	● 3. Beneficial Green Management Focusing on Environmental Protection and Resources Conservation -- Environment	
● Key Performance Table	02	Environmental Management	23
● 1. Company Overview		Waste Management	23
Company Profile	03	Energy Conservation and Emission Reduction	23
Business Development	08	Green Office	24
● 2. Governance and Operation in Compliance with Laws and Regulations to Create Good Market Value -- Governance		● 4. Facilitating the Implementation of Sustainable Development Strategy and Adhering to Creation and Sharing - Social	
Corporate Governance	09	Social Responsibility Management	25
Company Operations	10	Social Responsibility Communication	26
Party Construction	11	Staff Development	27
Internal Control	14	Attention to Charity	40
Anti-corruption	15	● Relevant Index	41
Risk Management	16	● Feedback Form for Readers	43
Supply Chain Management	17		
Product Responsibility	18		

About This Report

Introduction of the Report

This is the first environmental, social and governance report published by Chengdu PUTIAN Telecommunications Cable Company Limited, which discloses the actions taken by the Company in respect of the environment, society and governance and the results thereof to all stakeholders.

Scope of the Report

Organizational scope: The report covers all relevant information of Chengdu PUTIAN Telecommunications Cable Company Limited (“we”, the “Company” or “Chengdu Putian”) and our subsidiaries.

Time range: From 1 January to 31 December 2016.

Publication cycle: This report is published annually

Data Source

All the data in the report is extracted from the annual reports, statistical reports and other official documents of Chengdu PUTIAN Telecommunications Cable Company Limited and our subsidiaries. Some comparative figures or information is taken from those of 2014. All information has been reviewed. The financial data in this report is denominated in Renminbi (RMB). Unless otherwise stated as Hong Kong dollars (HK\$), the currency in the report all refers to RMB.

Basis of the Report

This report is prepared in accordance with the Guidelines to State-Owned Enterprises on Fulfilling Corporate Social Responsibilities of the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China with reference to the Environmental, Social and Governance Reporting Guide of Hong Kong Exchanges and Clearing Limited (“HKEx”) and the Guidance on Social Responsibility (ISO26000) of International Organization for Standardization (ISO)

Report Availability

This report is available in both Chinese and English versions. You may read and download the electronic version of the report at the Company’s website (www.cdc.com.cn).



Key Performance Table

	Name of indicator	2016	2015	2014
Economic performance	Operating income (RMB'0,000)	133228.89	120952.21	94546.09
	Total profit (RMB'0,000)	2524.24	-3760.08	-3718.08
	Tax paid (RMB'0,000)	6807.13	4881.62	4483.88
	Total assets (RMB'0,000)	130746.45	189370.49	198744.91
Social performance	Total number of staff (individual)	702	2079	1998
	Proportion of female staff (%)	19.02%	23.04%	25.36%
	Coverage of labor contracts (%)	100.00%	100.00%	100.00%
	Proportion of female in senior management (%)	22.22%	22.22%	22.22%
	Total investment in staff training (RMB'0,000)	4.17	1.48	1.25
	Coverage of staff training (%)	19.21%	19.66%	11.58%
	Electricity consumption (10 kilowatt hours)	1748.4800	1603.5618	1308.8593
	Water consumption (tonne)	50910	44082	36950
Environmental management	Nitrogen oxide emission (tonne)	0.4000	0.1450	0.1224
	Sulfur dioxide emission (tonne)	0.050	0.008	0.015
	Ammoniacal nitrogen emission (tonne)	0.020	0.033	0.035
	Natural gas (0,000 cubic meters)	9.720	7.962	10.977
	Diesel (tonnes)	0	5.10	36.02
Safety and health	Coverage of safety training (%)	100%	100%	100%
	Number of injury incidents (times)	0	0	0
Social activities	Charity donations (RMB'0,000)	3	3	3

Note: For the environmental management indicators, the emissions of nitrogen oxide and sulfur dioxide in 2016 reflected substantial increases as compared to 2015 due to the change in calculation method. Those two indicators did not exceed the national standards.

I. Company Overview

Company Profile

Chengdu PUTIAN Telecommunications Cable Company Limited is one of the largest telecommunications cable manufacturers in China.

The Company has been listed on the Hong Kong Stock Exchange since 1994 with a stock name of "CHENGDU PUTIAN" and a stock code of "01202" for our H shares.



In 2006, the Company set up the Chengdu Industrial Base with a site area of approximately 330,000 square meters in the western region of Chengdu Hi-tech Industrial Development Zone. The Company strives to establish a reliable lifeline of information and energy transmission for the "Internet+" smart era and provide smart, environmental, quality and reliable optical cables and wires for information and energy transmission as well as smart electrical equipment products and related services for customers in order to become a smart and reliable emissary for information and energy transmission. We have developed into a group company comprising optical communication wire and cable business, energy transmission cable business and smart electrical business.



Mission

To provide reliable optical communication, energy transmission and smart electrical equipment products and services for the development of smart cities in China



vision

To become an expert in information and energy transmission



The Company has obtained the ISO9001 Quality Management System certification. The Company manufactures products with excellent quality in strict compliance with the national standards, departmental standards, IEC and other international standards, which received various awards and were recognized by the central government as well as the local governments.

The Company has carried out technological innovation on our own initiative with extensive application of the relevant products in various major strategic projects in China. There are successful cases in high-speed optical network and wireless transmission information network, new rail transit network, new energy grid transmission network, high-end equipment internal transmission network, intelligent control and other sectors. By establishing and making full use of such development platform, the Company will put more effort into the industrial structural adjustments to emphasize our technological innovation capacity and develop new products to form new sources of economic growth so as to promote the sustainable development of the Company by enhancing our core competitiveness.

01

Highest award in corporate management
Golden Horse Award

02

Local governments at all levels and the industry awarded
"Advanced Enterprise"

03

Local governments at all levels and the industry awarded
"Top 10 Enterprise"

04

Local governments at all levels and the industry awarded
"Title for Special Contribution"

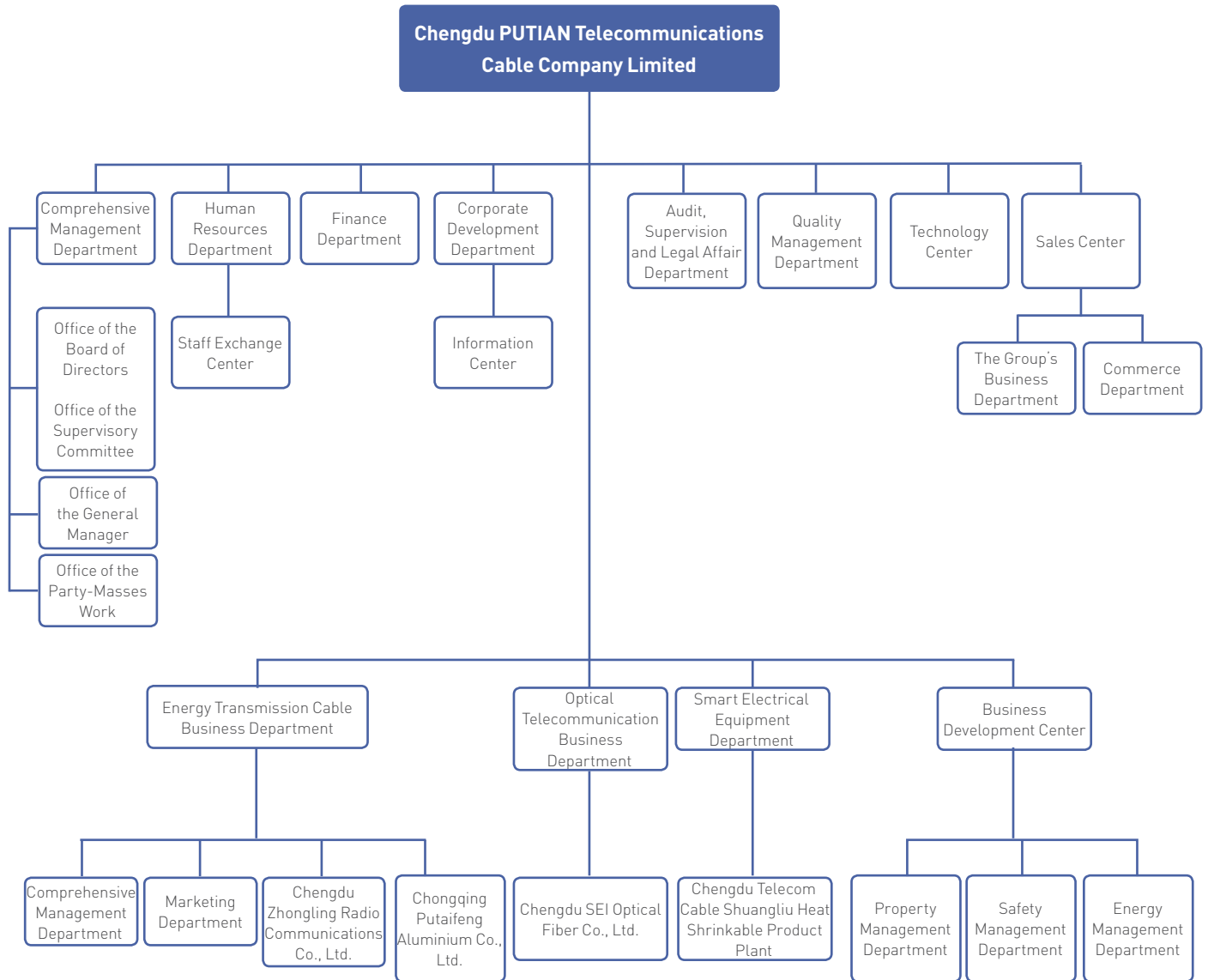
05

28 "Quality Products", "National Customer Satisfaction Enterprise" and "Products Exempted from Inspection"
Some of the products were also awarded the National Quality Product Gold Award

Awards and recognition received



Organizational Structure



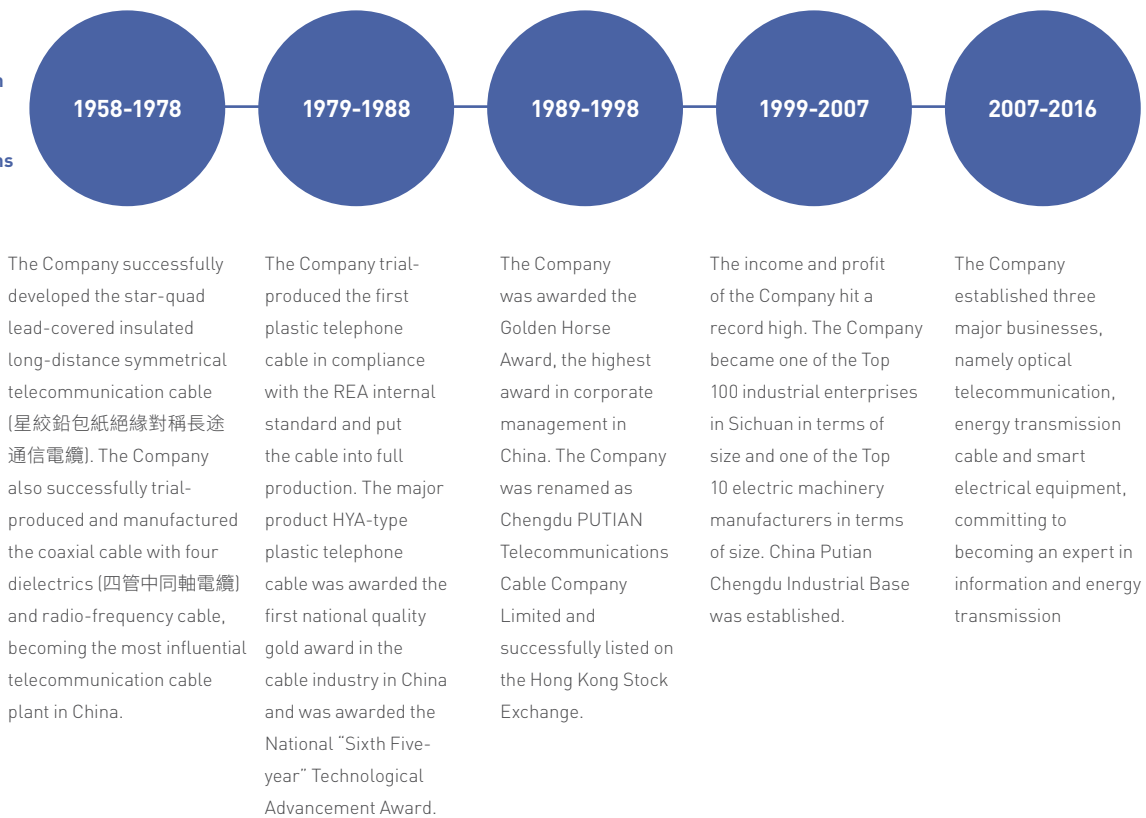
Note: The above chart does not include non-subsidiaries.

business development

Upon establishment in 1958 and listing in 1994, the Company has experienced different stages including start-up, technological advancement, take-off, consolidation and adjustment as well as industrial upgrading.



The Preparatory Office for Chengdu Telecommunication and Cable Plant of the Posts and Telecommunications Ministry was established



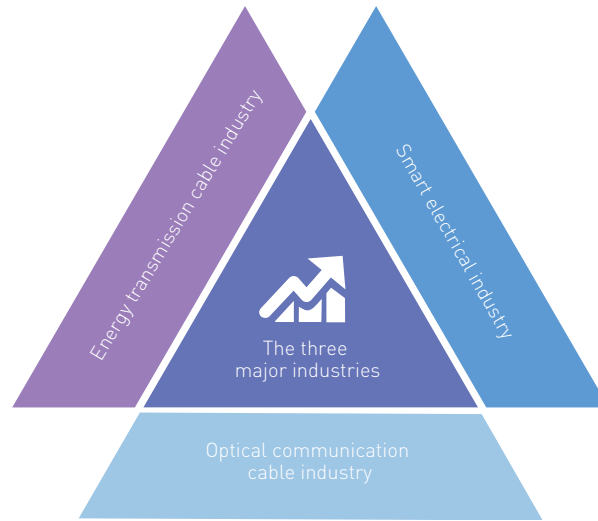
Business Development

To pursue the principles of “innovation, integration and capital management”, the Company strived to strengthen the guidance of business strategies, market synergy and sharing of resources. Operation of major projects was refined to boost business development.

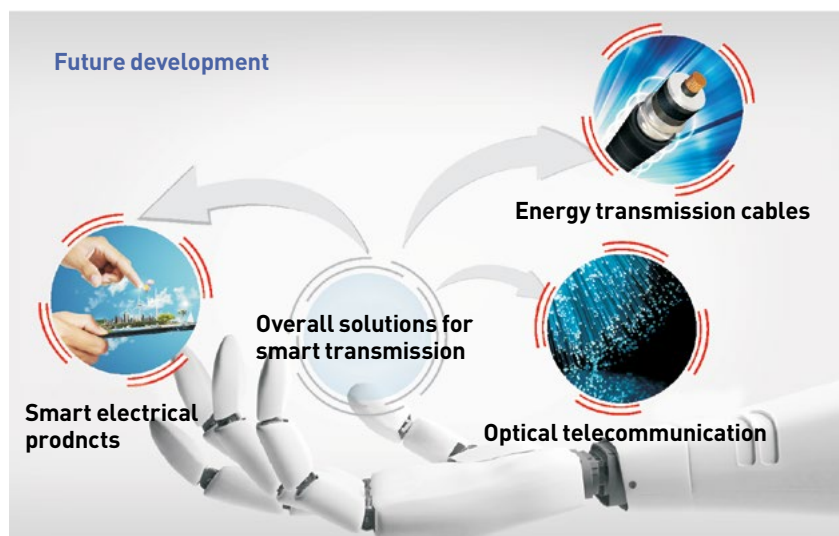
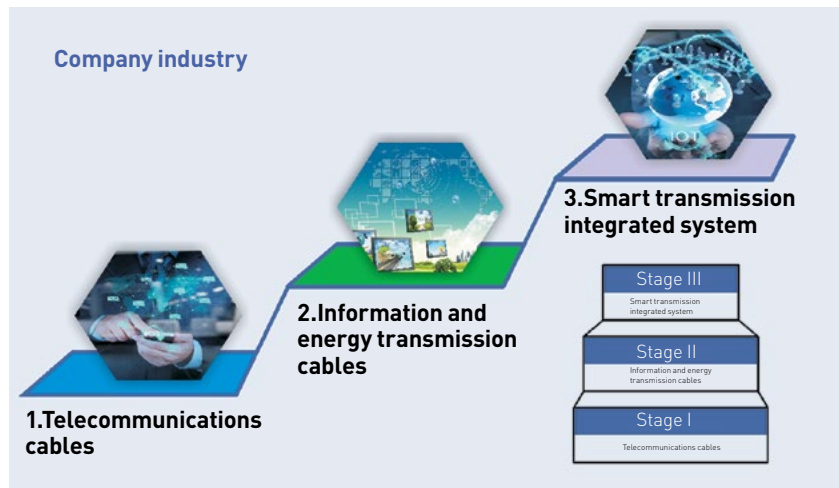
The Company set up our optical telecommunication business department for the restructuring of optical telecommunication business to maximize the investment return.

High-end electrical equipment cable and aluminium products became the Company’s core products to facilitate the business transformation from copper cable business to energy transmission cable business. The Company reinforced the product development of electrical equipment cables and special cables and made use of the resources of ChinaPutian to actively develop the market of cables for railway transportation while consolidating the market share in the urban rail cable market. The Company also conducted the sales of our products characterized as safe and environmentally friendly and developed our brand in segmented markets.

The Company established a smart electrical equipment department to provide smart electrical equipment products and related system services for the “Internet+” smart era and deliver results in the areas such as charging network, energy-saving lighting and intelligent control.



Industrial Structure



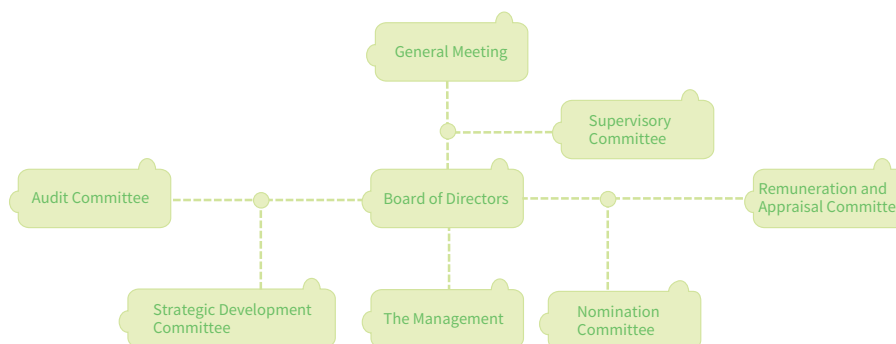
II. Governance and Operation in Compliance with Laws and Regulations to Create Good Market Value-- Governance

Corporate Governance

The Company has been attaching great importance to corporate governance and strives to comply with the Listing Rules and other relevant laws and regulations. In 2016, the Company adopted active remedial measures with respect to the issue in relation to “the failure to make announcements and seek shareholders’ approval for some continuing connected transactions in a timely manner as required by the Listing Rules” in 2013, 2014 and the first half of 2015. The Company published an announcement to disclose the details of the relevant connected transactions on 12 May 2015 and convened an extraordinary general meeting to seek shareholders’ approval on 12 November 2015, and ensured that information was announced in a timely manner. The board of directors of the Company (the “Board”) also tried hard to review and improve disclosure about information and compliance matters of the Company and strengthened

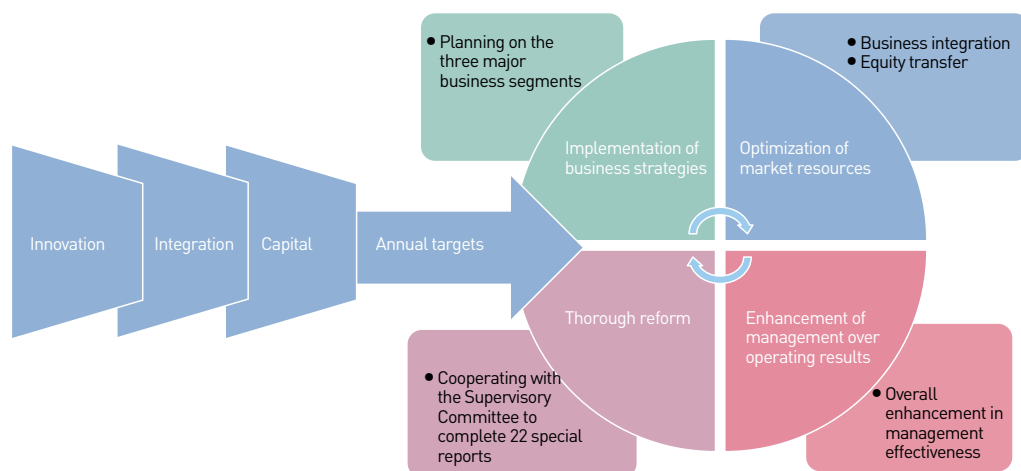
information reporting among departments and enhanced staff training in respect of the information announcement Requirement of the Listing Rules. On 4 February 2016, Mr. Lin Zulun was appointed as an independent non-executive director and a member of various Board committees to fill the relevant vacancies. Upon the relevant adjustments, those charged with corporate governance convened meetings and implemented measures in series with the emphasis of a quality Board, effective internal control, strict disclosure, transparency and accountability for further compliance with a high standard of corporate governance in order to ensure a better transparency of the Company and protect the interests of shareholders and the Company as a whole. For the information of corporate governance, please refer to the Corporate Governance Report set out in the 2016 annual report.

Meetings	Number of meetings	Major matters
Board of Directors	11 meetings	Discussing the Company’s operating results, overall strategies, investment schemes as well as operation and financial performance
Remuneration and Appraisal Committee	2 meetings	Approving the remuneration assessment method for senior management of the Company and the remuneration of independent non-executive directors
Nomination Committee	2 meetings	Reviewing the composition of senior management of the Company as well as reviewing the candidate for independent non-executive director and making recommendations thereof to the Board
Audit Committee	2 meetings	Reviewing the annual results and our corresponding accounts for 2015, the interim results and our corresponding accounts for 2016, discussing the Company’s works on internal control matters and other works as required under the Corporate Governance Code
Strategic Development Committee	1 meeting	Reviewing the business development strategies of the Company under the 13th Five-Year Plan
Supervisory Committee	2 meetings	Performing monitoring obligations on behalf of shareholders as to whether the financial activities of the Company, the performance of duties of directors and senior management and the decision-making process of the Board of the Company are in compliance with the laws and regulations

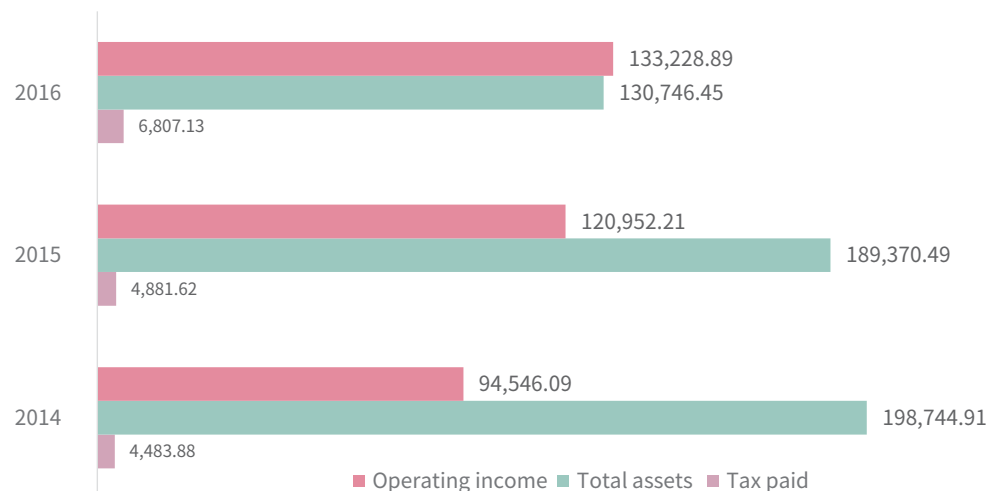


Company Operations

In 2016, to pursue the principles of “innovation, integration and capital”, the Company strived to strengthen the guidance of business strategies and adopted the principles of conducting a thorough reform by implementing business strategies and optimizing market resources so as to effectively enhance management over our operating results in our work plan and budget target for the year and placed an emphasis on improvement in quality and efficiency. Initiatives were also taken out to deepen reform and innovation and accelerate restructuring. Business strategies were implemented through the planning on the three major business segments. Market resources were optimized through business integration and equity transfer. The Company cooperated with the Supervisory Committee to complete 22 special reports to achieve a thorough reform. With the overall enhancement in management, the work target for the year of enhancing management over operating results was achieved. The Company fully implemented informatization management to establish management standards and refine working procedures. The Company adopted real-time information management in respect of human resources, capital and assets through the information system to improve quality and efficiency of operation.



Economic Performance (ten thousand yuan)



Party Construction

2016 was a crucial year for Chengdu Putian to reinforce the strategy target of conducting a thorough reform by implementing business strategies and optimizing market resources so as to effectively enhance management over our operating results. Under the guidance of the party committee of the municipal State-owned Assets Supervision and Administration Commission (“SASAC”) and the party organization of the Group, the party committee of the Company adhered to the principles of the Eighteenth National Congress and the spirit of a series of significant speeches given by General Secretary Xi. By giving play to the role of the party committee as a political core, the role of the party branch as a militant bastion and the role of party members as exemplary vanguards, the Company organized democratic life meetings, “Two Studies One Action (兩學一做)” learning and education, conversation on clean governance for newly promoted cadres, demonstration activities for party members, themed activities on the Party Day, party congress and visits to party members with difficulties and retired party members, in order to safeguard the healthy development of the Company.

“Two Studies One Action” learning and education mobilization and deployment meeting

On 13 May, the Company convened a mobilization and deployment meeting for “Two Studies One Action” learning and education so as to learn and convey the important directives in relation to “Two Studies One Action” from the central government, provincial and municipal committees, party committee of the SASAC and the party organization of China Putian and make deployment of learning and education, marking the official full commencement of the learning and education of the Company.



“Two Studies One Action” learning and education mobilization and deployment meeting of Chengdu Putian

Demonstration activities for party members

On 11 May, the “Chengdu State-owned Assets System ‘Beautiful Chengdu - Demonstration Activities for Party Members’ Commencement Ceremony” (“成都國資系統‘美麗成都·黨員示範行動’啟動儀式”) was held at Chengdu Metro Company. This activity motivated the basic party organization and party member teams at all levels of state-owned enterprises in the city to take initiative in the practice of “accelerating development”, striving to be the best pioneer, to show their images of sticking to “serving people’s livelihood”, striving to be the best exemplar, and to shape themselves in the overall promotion of “Two Studies One Action”, striving to be the best benchmark, in order to provide powerful guarantee for and inject vitality to the implementation of “five strategies to prosper the market (五大興市戰略)” and the development of an international modern metropolis of Chengdu.



Celebrating the CPC Founding Day

On 1 July, the Company convened a meeting to celebrate the 95th anniversary of the founding of the Communist Party of China (CPC). At the meeting, commendation was given to advanced party branches, outstanding staff in party affairs and outstanding party members. With reference to the development of the Company, it was proposed to transform the political advantage of the party organization into an advantage in promoting corporate development while emphasizing the confidence and determination of the party members to promote corporate development by taking being "outstanding" as their pursuit of high standard and following the footsteps of predecessors for advancement, striving to be a role model in pioneering and propel development on the momentum.



Representatives of the advanced party branches accepted their awards

Themed activities on the Party Day

Under the guidance of 14 party branches (including 4 retired party branches), more than 700 party members participated in the themed activities on the Party Day for "reasserting the aspiration of joining the party and the admission oath" and the themed organized life meetings for "determination in ideal philosophy with clear political direction" to study the new "Party Constitution" and the "Standards" and the "Regulations" in order to enhance their self-awareness to strict compliance with party rules and party discipline and improve their party spirit.



The third party congress

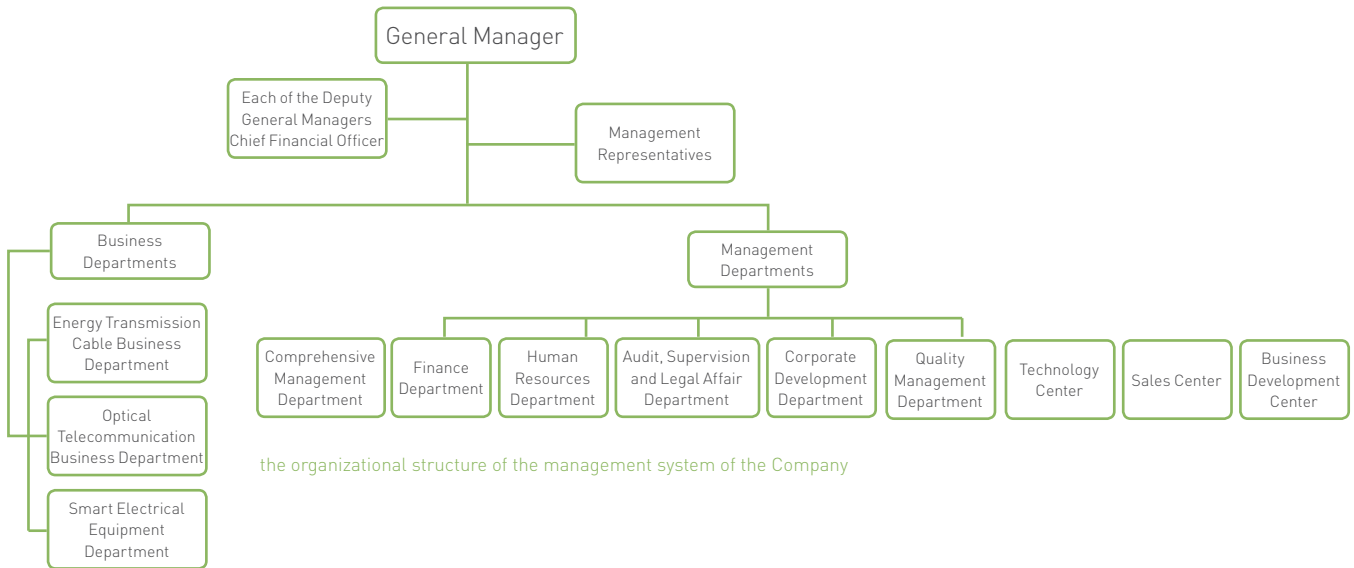
On 22 December, the third CPC congress of Chengdu PUTIAN Telecommunications Cable Company Limited was held in the multi-function hall. 87 official representatives and 7 non-voting delegates from 10 branches or general party branches attended the meeting. Work reports of the two committees and the report on the receipt, payment, use and management of party membership fees were considered and approved at the meeting. The new session of party committee members and the first session of discipline committee members of the Company were also elected.

The meeting emphasized the exercise of strict governance on the party in every respect and strengthening the "core" awareness while adhering to the leadership of the party to the Company. Party construction was also consolidated to add strong momentum to corporate development. The implementation of "two responsibilities" was strengthened to safeguard the sound order of corporate development. Party construction motivation was established to enhance the core competitiveness of the Company. The meeting called upon all the party members to maintain strong political willpower and tenacious competency and utilize the advantages of party construction to motivate concerted efforts and cohesion, promote harmony and unite the staff to blaze new trails in a pioneering spirit while overcoming difficulties with courage, so as to strive to open up a new stage for the morality during reform and development of the Company.



Internal Control

In 2016, the Company strengthened the internal management with respect to finance, technology, quality, production safety, human resources and other aspects in order to improve management effectiveness.

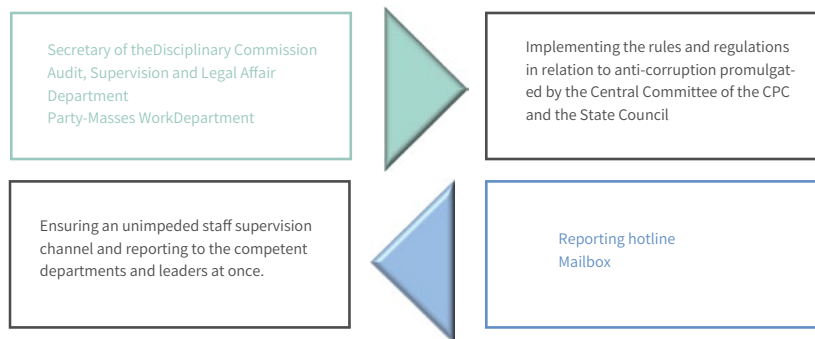


Finance	<ul style="list-style-type: none"> Achieved the informatization of budget management with strict implementation of budget auditing system. Achieved the informatization of fee reimbursement and improving the reimbursement procedures.
Technology	<ul style="list-style-type: none"> Obtained four patents of new utility models and completed application for special funds of a patent and was applying for one invention model. Conducted a project application for wires and cables for passenger cars on railways as a major new product in Sichuan Province and also conducted a research and development subsidies application for environmental-friendly, low smoke zero halogen and inflaming retarding cables for rail vehicles as a major new product in Chengdu. Also received insurance subsidies from the Science and Technology Board of Hi-Tech Zone (高新区科技局).
Quality	<ul style="list-style-type: none"> Enhanced the management of equipment, especially the primary and secondary maintenance and inspection of special equipment. Strengthened inspection of instruments and completed testing on materials. Completed internal review and passed the supervision evaluation by TLC (泰爾認證中心) in respect of quality management system and the re-evaluation by China Quality Certification Centre in respect of corporate environment and occupational health and safety management system for monitoring the quality of label products.
Production	<ul style="list-style-type: none"> Increased expenditure in safety spending to improve safety facilities and labor protection measures. Formulated a list of major hazard sources and critical environmental factors for key monitoring and strengthened safety training as well as inspection and rectification on safety hazards. Ensured production safety during operation according to the laws. Made effective operational control with zero incident in respect of environmental safety, occupational health and safety, fire safety and security.
Human resources	<ul style="list-style-type: none"> Established a more scientific and comprehensive remuneration and performance appraisal system. Put more efforts in the management of the remuneration of senior management of controlled and invested companies. Promoted a performance-oriented concept for income distribution among employees. Established a training scheme for reserve talents and set up a reserve talent pool by using the information system so as to provide a basis for the promotion of staff and selection of talents.
Risk	<ul style="list-style-type: none"> Conducted evaluation and review on specific risks and strengthened dynamic surveillance of major risks. Strengthened the supervision and regulation on connected transactions and continuing connected transactions. Improved the level of supervision. Implemented annual budget management such that the connected transactions which are not in the budget cannot be executed. The responsible staff received training on continuing connected transactions and regulatory compliance. Strengthened the review on contracts. Promptly advised the management of compliance requirements and completed compliance matters so as to avoid the risk of non-compliance.
Procurement	<ul style="list-style-type: none"> Informatized the SCM module procurement management. Started to run the supplier code approval process and entered into procurement contracts approval process according to the procurement management manual. Used the new QA system to register, approve and file the procurement contracts. Updated the Tender Management Measures.

Anti-corruption

In strict compliance with the laws and regulations in relation to the prevention of bribery, extortion, fraud and money laundering, the Company had established the relevant financial systems including the Account Receivables Management System, the Cash and Bank Balances Management System, the Financial Supervision System for External Investment and the Disclosure of Company Affairs and accountability System, some of which some were updated in 2016.

The Company had a sound anti-corruption institutional framework comprising the secretary of the Disciplinary Commission Audit, Supervision and Legal Affairs Department and Party-Masses Work Department for the implementation of a series of rules and regulations in relation to anti-corruption promulgated by the Central Committee of the CPC and the State Council. The Company had a reporting hotline and mailbox, ensuring an unimpeded staff supervision channel and reporting to the competent departments and leaders at once in case of any whistle-blowing. The Company did not have any corruption incident in the past three years.



Conversation on clean governance for newly promoted cadres

On 23 September, the Company convened a collective conversation meeting for the newly promoted cadres. At the meeting, the Company arranged conversations on clean governance with 13 newly promoted and re-designated cadres and conversations on admonishment with 2 newly-appointed senior management personnel. The Company paid high attention to petitions and whistle-blowing and strived to put them into practice. The Company also cultivated incorruptible culture with "honesty and trustworthiness as well as integrity in operation".

In 2016, the Company invited the relevant experts from Chengdu Party School to provide education and training on clean and honest administration for all party members and cadres.

Risk Management

In 2016, the Company consolidated our management system and specified major risk control issues including investment management, capital management, safety management and contract management according to our features in operation and development.



Risk Management Mechanism

The Company had set up a comprehensive risk management leading group comprising the general manager as the group leader and all of the management team members as the group members as well as an office of the leading group comprising the deputy secretary of the party committee of the Company and the secretary of the Disciplinary Commission as the director and the relevant experts of the Company as the office members, so as to guarantee the proper implementation of the comprehensive risk management at all levels in terms of organizational structure and delegate the relevant comprehensive risk management tasks to the letters of responsibilities on annual objectives of various departments which were included in the KPI appraisal indicators for personnel matters.



Risk Management Measures

Pursuant to the directives on comprehensive risk management of the SASAC and China Putian, the Company had formulated a series of risk management and control regulations and systems. The Implementation Measures for the "Three Importance and One Greatness" Decision Making regulated the implementation measures for major decision making matters, important personnel appointment and dismissal, significant project arrangements and substantial capital operation so as to prevent decision making risk. The major risk reporting system required all risks with respect to legal, employees' life, environment and other areas to be reported. The Connected Transactions Management System managed the connected transaction risk and the relevant information disclosure expenses, so as to protect the legitimate rights of Company, all shareholders and stakeholders. The Management Measures on the Three Meetings provided strict regulation on the management of the general meetings, the Board and the Supervisory Committee so as to identify major risks. By arranging comprehensive risk management and inspection on internal control system, checks were conducted on whether there was any substantial business transaction in violation of the internal control system. Review was required before entering into any business contract in daily operation with coverage of contract review of 100%.

Information Security Management

The Company formulated a customer profiling and credit management system comprising customer profile management process, customer credit evaluation management standards and customer credit line management standards. In 2016, the Company refined the customer credit management rules based on such system and improved the credit management capacity based on the credit management system of the Company. With the use of our information system, the Company also further strengthened the management on customer profiles and designed a form for the management on customer profiles where all business have to fill in such form to enhance the collection of customer information. The Company has formulated the Regulation on Confidential Matters. The staff who have access to clients' information must comply with the relevant policy to prevent information leakage.

Supply Chain Management

Informatization Management

In order to regulate procurement and supplier management, the Company used information technology for system management in 2016. At the end of July, the Company completed the testing and operation on the access function of procurement management of SCM module. In the mid-August, the supplier code approval process commenced operation. As required by the Customers and Merchants Information Management Measures of the Company, the Company used a system for the supplier code approval and entered into the procurement contracts approval process according to the Procurement Management Manual. New OA system was used to register, approve and file the procurement contracts. The Company promulgated the Tender Management Measure in October and updated the version in November for further implementation. 20 tenders were organized and participated throughout the year.

Management Process

The Company chooses the suppliers for raw materials, ancillary materials, packaging materials, transportation services and label products with respect to the characteristics, technical requirements and transportation requirements of the products.

The suppliers chosen shall meet the following basic requirements: have a legitimate business qualification; the quality of products (services) provided by the supplier shall meet the relevant technical requirements; the supply capacity (including production capacity, method of delivery and others) or transportation capacity shall meet the requirements of the Company; suppliers of the major raw materials are required to obtain a third party certification for their quality management system, such as the ISO9001 certification. The Company prefers suppliers with a certificate on environmental management system granted by a third party, such as ISO14001 certificate.

The suppliers of raw materials, ancillary materials and packaging materials used in production,

subcontracted products and label products are evaluated by distributing supplier questionnaires, technological tests on the products produced by suppliers and business negotiations. The suppliers that pass the evaluation and meet the basic requirements are included in the qualified suppliers catalogue and approved by the competent personnel.

The Company monitors the product quality, delivery time, price and services of the qualified suppliers, and deals with any identified problem at once. The Company also keeps record for such problems and summarizes the records for evaluation. The relevant information is used for the re-evaluation of qualified suppliers.

The qualification of a qualified supplier is effective for a term of three years. Re-evaluation shall be completed prior to the expiry of the term. The qualification as a qualified supplier shall be suspended if such qualified supplier fails to pass the re-evaluation for three consecutive times. Further re-evaluation shall be conducted after rectification is carried out by such supplier. Re-evaluation shall also be conducted as required if there is any significant change in design, technology, materials, quality assurance system and other aspects during the effective term of qualified suppliers.



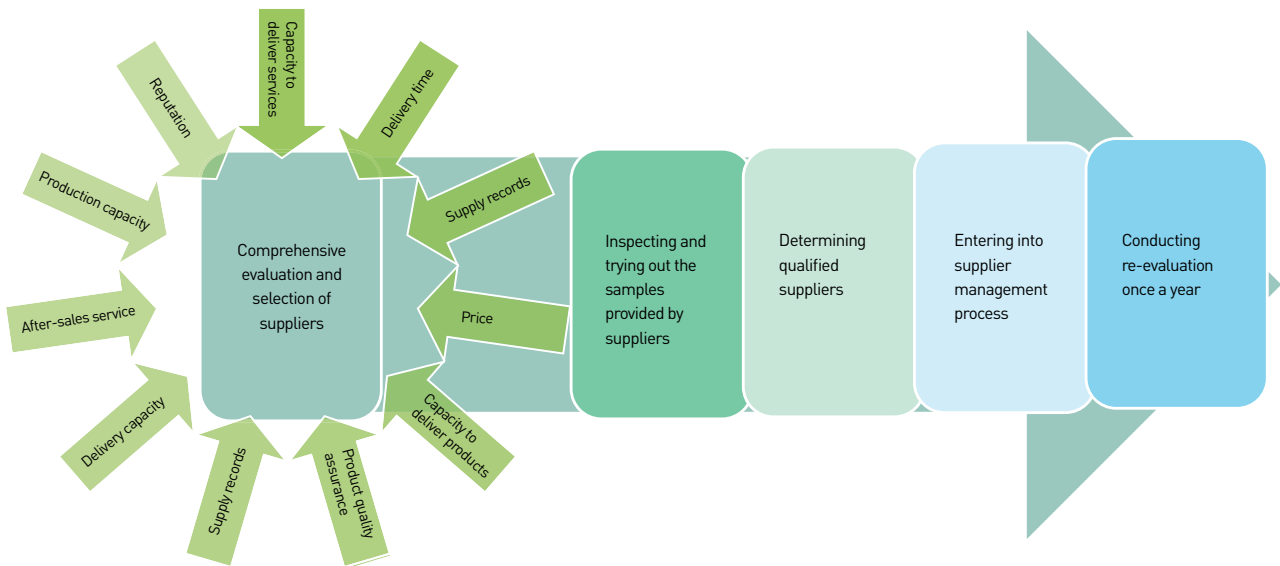
Product Responsibility

Product Quality Management

Pursuant to the Quality Management System Requirements (GB/T19001) and a series of system for QEHS Management, the Company has established, implemented and improved the quality management system focusing on customers and quality. According to the quality management principles and process approaches, the Company has also established and optimized a self-improvement mechanism based on internal audit and preventive measures so as to conduct total quality management.

In 2016, the Company enhanced the management of equipment, carried out inspection of instruments and completed testing on materials, especially the primary and secondary maintenance and inspection of special equipment. The Company also strengthened internal review, monitored the quality of label products and passed the supervision evaluation by TLC in respect of quality management system and the re-evaluation by China Quality Certification Centre in respect of corporate environment and occupational health and safety management system.

◆ Quality Control System



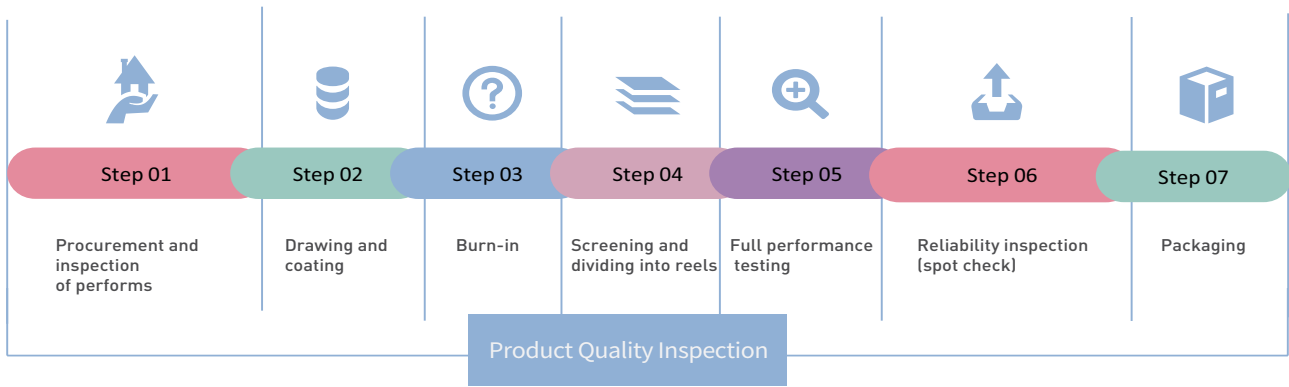
Quality control system of Chengdu Putian SEI Optical Fiber



◆ Quality Inspection Process

Appearance inspection: With reference to the Inspection Method of the Appearance of Optical Fiber (CDSEI/T/MD308), the testing personnel inspects the appearance of the finished optical fibers and cable reels. Further testing will be conducted for those products passing the appearance inspection. Otherwise, the products will be returned to the screening process for handling with the specific handling requirements for such reel of optical fibers, and the shift head on duty or the relevant engineer shall be informed when necessary or the Single-mode Optical Fiber Inspection Report (CDSEI/R/MD600) shall be filled in.

Testing process: According to the requirements under the Finished Optical Fiber Inspection Regulation, there are three types of testing process for the finished optical fiber: single reel inspection, grading in batch and sampling for grading.



Technical Inspection Process for Optical Fiber

◆ Quality Management System and Product Certification:



Management of Intellectual Property Rights

In 2016, the Company amended the Technical Management Standardization Work Regulations, the New Product Management Measures, the Cable Products PCN Management Regulations, the File Management Measures and the Technology Incentive System according to the changes and adjustments in the responsibilities of various departments in the Company. The Company also formulated three new systems, namely the Project Management System, the Government Grants Incentive and Distribution Measures and the Qualification Management Standards. Following the pace of informatization development, the Company carried out informatization development in an active manner and encouraged technology innovation and new project application by improving the system.



Application item	Type of application	Application number or patent number	Name	Status of grants
Patent application	Utility model patent	zl201620228780x	A type of heater (一種加熱器)	
Patent application	Utility model patent	zl201620228722.7	A type of single-core re-axial cable (一種單芯回軸電纜)	
Patent application	Utility model patent	zl201620230460.8	A type of multi-core axial radio-frequency cable (一種多芯阿軸射頻電纜)	
Patent application	Utility model patent	zl201620310652.8	Temperature-resistant, thin wall, low smoke zero halogen and inflaming retarding control cables for control cabinets in nuclear power stations (核電站控制櫃內用的高耐溫薄壁低煙無鹵阻燃控制電纜)	
Grants application	Development subsidies for major new products of the enterprise capacity upgrading project in Chengdu	2016-cp03-00169-gx	Environmental-friendly, low smoke zero halogen and inflaming retarding cables for rail vehicles (用於軌道交通車輛的環保低煙無鹵阻燃電纜)	
Project application	Major new product in Sichuan Province	wdz-dc-r-h-90	Wires and cables for passenger cars on railways (鐵道客車用電線電纜)	
Special funds application	Full special funds for standardization strategy	yd/t2964-2015	Measurement methods for bending-loss insensitive single-mode optical fiber for the access network (接入網用彎曲損耗不敏感單模光纖測量方法)	Obtained government grants amounted to RMB50,000

Project, Patent and Grants Application in 2016

Protection of Intellectual Property Rights

Chengdu Putian has complied with and made use of the international intellectual property rights regulations to formulate an intellectual property rights management system suitable for Chengdu Putian with an open, positive and friendly attitude as always. The Company provides education and training on intellectual property rights for employees by system publicity and commends and awards the invested companies and individuals with outstanding performance. The Company also strives to come off in the patent application information retrieval and patent application during our research and development and promotes the overall innovation and protection of intellectual property rights. In case there is any infringement of our intellectual property rights, the Company will safeguard our rights by taking legal action. At the same time, we also respect others' intellectual property rights and have undertaken not to infringe the intellectual property rights of any company or individual. By establishing a strict information confidentiality system, the Company has maintained strict confidentiality of the product technology information of our upstream and downstream partners.



The Company invited an expert from a patent firm to provide training on basic knowledge of patents

Customer Services

Adhering to the principle of focusing on customers, the Company regards customer satisfaction as our ultimate goal while complying with the laws and regulations and the requirements from other related parties.

- (1) Understanding the needs and expectations of customers and other related parties by market research, anticipation, communication and other ways;
- (2) Transforming the needs and expectations of customers to requirements on products by reviewing, designing and developing and achieving the same through the operation of management system to improve customer satisfaction;
- (3) Complying with laws, regulations and requirements under national and industry standards;
- (4) Keeping track of customer satisfaction by performing evaluation on customer satisfaction for further enhancement, and ensuring the competent departments to

maintain effective communication with customers for the purpose of improving customer satisfaction.

The Company has set up four districts for southern, northern, southeastern and eastern regions respectively. The customer managers of the districts pay unscheduled visits to customers to communicate with customers face to face. The Company usually maintains close connection with customers via telephone, fax, mail and other means to understand customers' needs and handle customers' opinion in a timely manner. As a competent department in providing technical support for handling customer complaints, the quality management department provides technical support for customer complaints according to a document of the market sales department called the Customer Complaints and Feedback Information Handling Process (CDSEI/M/MS004), including analysis of samples, tracing production records and data provision.

Customer satisfaction survey:

Chengdu Putian conducts quarterly customer satisfaction surveys and takes the average value for the overall annual survey. The average value of the four surveys in 2015 was 94.51%. In view of the overall situation for the whole year, the average value of the four surveys was 93.17% in 2016. The quality targets were achieved in both years despite of the fact that the customer satisfaction in 2016 decreased by 1.34% as compared to 2015. In the future, the Company will further improve communication mechanism and product quality so as to provide more satisfactory services for customers.



	2015	-----	94.51%
	2016	-----	93.17%





III. Beneficial Green Management Focusing on Environmental Protection and Resources Conservation -- Environment

Environmental Management

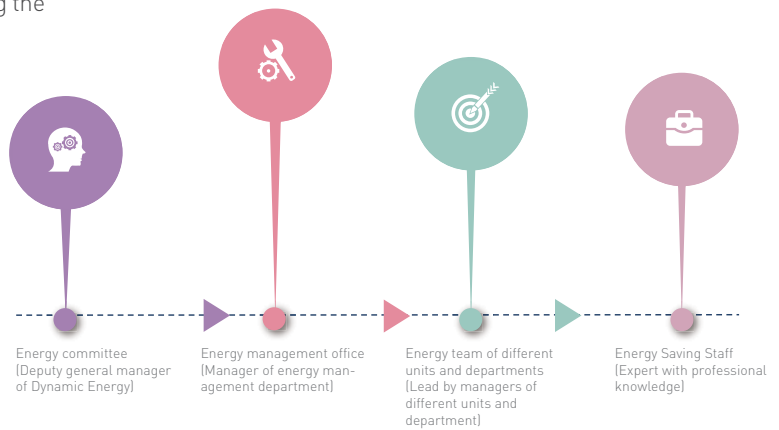
The Company highly focuses on environmental protection. In accordance with the requirements under GB/T 24001 Environmental Management Systems – Requirements with Guidance for Use, the Company has formulated the Environmental Protection Management System, the Administrative Measures on Recycling of Solid Waste and Packaging Materials, the Energy Management System, the Standards for Energy Management and the Safety Protection Standardization Management System. In addition, the Company strictly complies with the Environmental Protection Law of the People’s Republic of China and Sichuan Environmental Protection Regulations, thereby achieving zero dust, zero pollution and zero toxic and hazardous gas, prevention of pollution and other hazards, thus ensuring the occupational health and safety of the staff during production progress. The Company also carries out in-depth works with the production frontline during its ordinary operations, and incorporates environmental protection works into its agenda, thus strengthening the management on environmental protection works.

Energy Conservation and Emission Reduction

The Company has adopted numerous measures for energy conservation and emission reduction. We have formulated and strictly implemented the Energy Management System, and established the energy committee, with the energy saving staff responsible for energy conservation works.

Waste Management

The Company strictly implements the Administrative Measures on Recycling of Solid Waste and Packaging Materials and relevant systems and fully utilizes all resources, thus achieving 100% recycling of solid waste. In 2016, the Company constructed a new scrap warehouse, which collected 6.5 tonnes hazardous waste (including scrapped ink, engine oil and other material of 4.3 tonnes in warehouse of former supplier). The Company conducts regular waste treatment at waste emulsion pool and general industrial waste pool (60 tonnes in aggregate). Hazardous waste is passed to hazardous waste disposal unit for disposal after collection. During the year, waste emulsion, waste acid and other types of waste amounting to 1.2 tonnewere disposed of in compliance with relevant environmental protection requirements.



- In May 2016, 80 metal halide lamps of 400W in some workshops were replaced with 150W LED energy saving lamps, thus reducing electricity consumption. Tariffs of RMB44,000 was saved during the year.
- After the 2016 Lunar New Year, the Company adopted frequency conversion technology and replaced the original 55KW circular pump with 37KW variable pump based on its production condition. The frequency conversion technology upgrade for circular pumps was completed and put into operations in May, thus meeting the constant pressure technology requirement, eliminating potential safety hazards and lowering energy consumption. As at the end of 2016, electricity of approximately 300,000 kWh was saved.
- Through meter upgrade and timely discovery and repairs to leaks, domestic water utilization was reduced by 40,800 tonnes as compared to the corresponding period in 2015, and water tariffs were reduced by RMB121,300.

Green Office

In 2016, the Company fully implemented informatization management to establish management standards and refine working procedures. The Company adopted real-time information management in respect of human resources, capital and assets through the information system, thus reducing resources and energy consumption.

As at the reporting period, the management system of the Enterprise Application Integration (EAI) had been basically established and its modules and subsystems had been launched one after another. The sales centers and business departments started to use ERP to regulate the management of current assets and the process management on procurement, sales and inventories. With the use of human resources management module, the Group carried out a human resources reform covering the employees of all subsidiaries. Besides, the Company also launched the Weaver OA System and Yonyou U8+ Group Financial System and basically completed the integrated docking of the above subsystem and the cable information system. Meanwhile, we actively promoted the awareness of environmental protection of our staff and encourage them to save and conserve resources little by little at the office. Under the green environmental protection concept, the Company facilitated its works on quality improvement

Emission indicators:

In 2016, the Company has adopted effective pollution prevention measures so as to ensure steady compliance with emission standards for different pollutants, including sewage, waste gases, noises, solid waste, etc., in long term. According to the inspection results, all emission indicators were in compliance with relevant national environmental protection standards.

指标名称	2016	2015	2014
Nitrogen oxide emission (tonne)	0.4000	0.1450	0.1224
Ammoniacal nitrogen emission (tonnes)	0.020	0.033	0.035
Sulfur dioxide emission (tonnes)	0.050	0.008	0.015
Electricity (10 kilowatt hours)	1749.4800	1603.5618	1308.8593
Natural gas (0.000 cubic meters)	9.720	7.962	10.977
Diesel (tonnes)	0	5.10	36.02

and efficiency enhancement.

- Facilitating the informatization establishment in different departments, and establishing automated systems for financial, human resources and sales management etc.;
- Minimizing waste of resources and reducing carbon emission through video conference and telephone conference;
- Implementing informatization management at the office, replacing printing and photocopying of documents with emails, and reducing use of papers;
- Office equipment, ancillaries and utilities are under central management of the comprehensive management department in accordance with green environmental protection principle;
- Enhancing staff's awareness of energy conservation, making them have the self-conscious of water conservation, electricity saving and natural resources saving, and power off all devices before leaving office;
- Business cars are organized and managed by the back office. Staff member sare transported to other places using business cars together with other staff members or by taking public transportation. Public transportation cards will be given to staff members for going out for works, thus promoting low-carbon travel.

IV. Facilitating the Implementation of Sustainable Development Strategy and Adhering to Creation and Sharing - Social

Social Responsibility Management

Chengdu Putian, as a member of China Putian, strives to “become an expert of information and energy transmission” and aims to complete the mission of “providing reliable optical telecommunication, energy transmission and smart electrical products and services for the construction of smart cities in China”. Meanwhile, Chengdu Putian also inherits China Putian’s pursuit of making comprehensive contributions to the society, economy and environment.

In 2016, the Company adopted the principles of conducting a thorough reform by implementing business strategies and optimizing market resources so as to effectively enhance management over its operating results in its work plan and budget target for the year. Initiatives were also carried taken out to deepen reform and innovation and industry reconstruction.

(1)Facilitating the transformation of the Company from a manufacturing company into to a “manufacturing + servicing” company under the guidance of industry and resources: Focusing on the national directive investment fields such as smart city construction, the Company developed the three major industry segments, namely optical telecommunication industry, energy transmission cable industry

and smart electrical equipment industry. By fully utilizing tangible and intangible resources, the Company conducted business model innovation and developed the innovation industrial park.

(2)The Company deepened its reforms, facilitated the remuneration and incentive mechanism reform, and improved labor productivity and rate of return per capita. We completed the upgrade of informatization and refined management, and strengthened the control over investment returns.

(3)Integrating with the Company’s development strategy, the performance of social responsibility was included in the scope of corporate governance and implemented in different production

and operating procedures. The Company actively conducted special specific works on safe production, energy conservation and emission reduction, anti-corruption and emergence response etc. Striving to for green development philosophy for low-carbon environmental protection, the Company developed in the green industry, and promoted green product and technology innovation and application. In addition, the Company facilitated effective utilization of resources, reduced cost incurred and resources consumption and continued to enhance the quality of development. The Company continuously fulfilled the requirements for corporate development and social innovation, performed its social responsibilities and promoted the sustainable development of the Company.



Social Responsibility Communication

Based on the characteristics of the Company's businesses and operations, we have determined that our major stakeholders include shareholders, the government and regulatory authorities, clients, staff, partners, the community and the public.

Stakeholders	Ways of communication and effectiveness
Shareholders	Conducting general meetings, preparing annual reports and making non-financial information disclosure, reporting work conclusion and results, and ensuring smooth information disclosure channels Facilitating corporate reforms, optimizing internal control system, enhancing risk management capability, controlling sources of loss, developing higher quality, and improving efficiency
Government	Strengthening daily management, accepting government's inspection and supervision, operating in compliance with laws and regulations, conducting scientific development, paying tax in full, accepting guidance on environmental laws and regulations and safety production supervision by government authority, and achieving safety, environmental-friendly production
Staff	Formulating staff benefit policy, convening staff meeting so as to protect basic rights of staff Publishing internal corporate publications, establishing internal communication platforms, thereby supporting information exchange among the staff and making them to have a better understanding about the Company Providing training for the staff for their career development, protecting staff' rights, and offering a harmonious working environment through organizing staff care and entertainment activities
Clients	Offering safe, environmental friendly and quality products, and improving technology and service systems Strengthening capability of offering end-services, improving customers' satisfactory, and enhancing service quality and supportive technology continuously
Industry	Participating in industry conference, product promotion expo, exhibition, seminar and exchange seminar, thereby maintaining good communication
Partners	Convening meetings for partners, thereby sharing our corporate philosophy and requirements Understanding the demands of the parties by visiting our partners and conducting talks, thereby achieving synergy development Formulating procurement policy, and conducting fair, transparent procurements Entering into cooperative agreement, and promoting the sharing of industry achievements
Community and the public	Actively participating in community charity campaigns, helping the poverty and the people in need, and promoting harmonious development of the society
Environment	Minimizing the impacts of operations on the environment, maintaining green operations, energy conservation and emission reduction; developing new energy products and circular economy



Staff Development

Rights and Benefits

Relationship between the Company and its employees

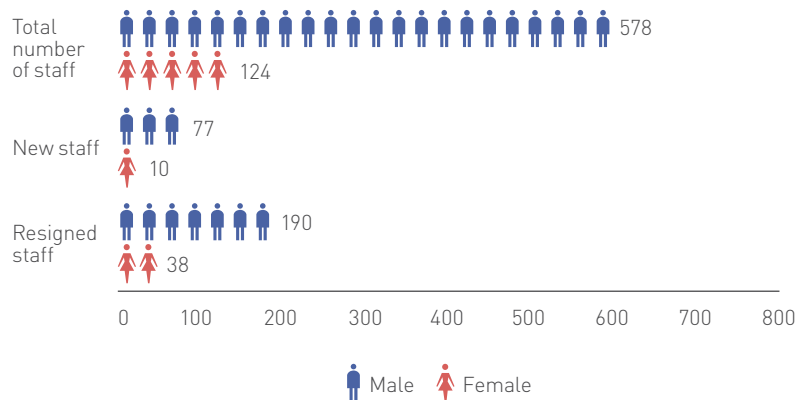
In 2016, the total number of employees of the Company was 702, of which 19.02% were female staff. Female staff also represented 22.22% of the management team. Strictly in compliance with national laws and regulations, including the Labor Law and the Employment Contract Law, the Company has entered into employment contracts with its employees, with a contract rate of 100%. In addition, the Company made contributions to social insurance for its employees, with contribution rate of 100%. The Company does not have any sexual, racial discrimination or other discrimination against any person. The Company strictly prohibits employment of child labor and forced labor, and strives to maintain same salary level for male and female staff working in the same position.

To protect the rights to participate, express opinion and supervise of our staff, the Company has established a democratic management system with labor congress and labor union as the core. During the year, there was no labor dispute under the management of labor relationship. The harmonious labor relationship secured the ordinary production and operation of the Company.

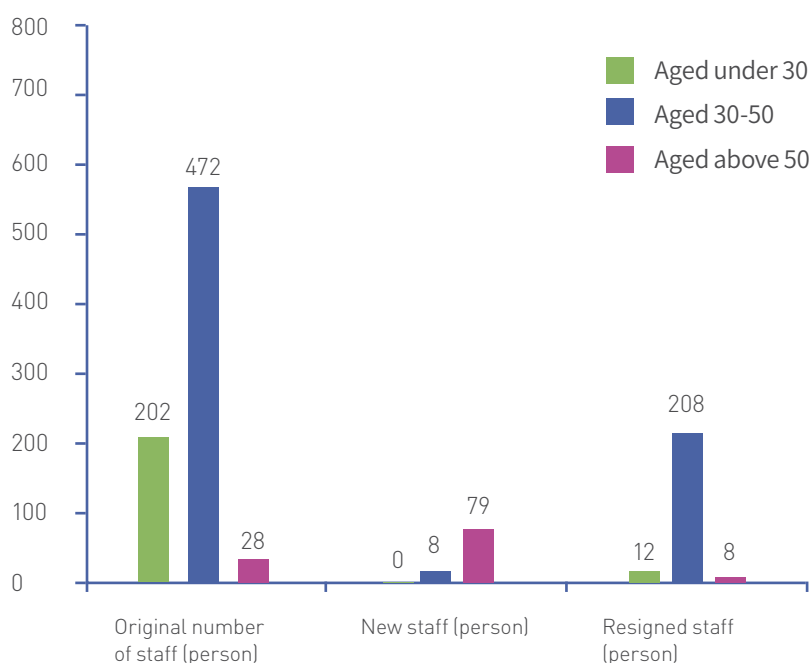
Item	2016	2015	2014
Total number of employees (person)	702	2079	1998
Proportion of female staff (%)	19.02%	23.04%	25.36%
Rate of entering into of labor contracts (%)	100.00%	100.00%	100.00%
Proportion of female staff serving as senior management (%)	22.22%	22.22%	22.22%
Contribution rate for social insurance (%)	100.00%	100.00%	100.00%

2016	Total number of staff	Male	Female
The Company	702	578	124
The Board	9	7	2

Composition of staff by gender for 2016



Composition of staff by age for 2016



Remuneration and benefits

In 2016, the Company strictly implemented the Tentative Administrative Measures on Payroll Budget of Central Enterprises (Guo Zi Fa Fen Pei [2010] No. 72), the Implementation Rules for the Tentative Administrative Measures on Payroll Budget of Central Enterprises (Guo Zi Fa Fen Pei [2012] No. 146) and the administrative measures on payroll of Putian headquarters. Payments for employees' remuneration had been made on time and in full throughout the year. Meanwhile, in accordance with the Individual Income Tax Law, the calculation, deduction and online declaration for individual income tax had completed. Strictly in compliance with relevant rules under the Labor Law, the Company has adopted the rule of not more than 8 working hours per day and not more than 44 average working hours per week. The Company has formulated the employee performance evaluation system. Employees with outstanding performance will be promoted in respect of their professional technical titles and administration positions.

Arrangements for redundant staff

In respect of some staff pending for duties arising from the implementation of industry (product) restructuring

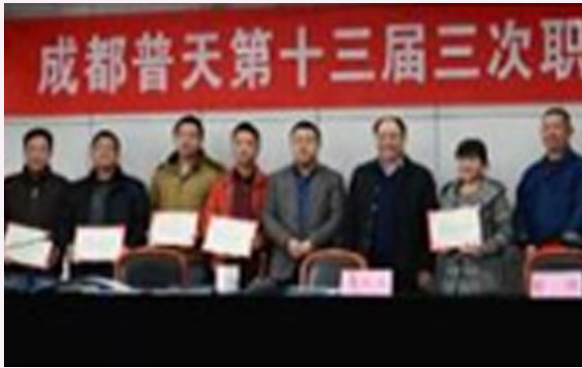
or during the course of restructuring of certain organizations, the Company will make proper arrangements and resolve the problems in a timely manner, thus offering stable assignments for these staff members. On one hand, the Company will make arrangements in accordance with the classification under the Measures on Arrangements for Staff Pending for Duties. The staff can make written application based on their own situation. Upon being approved by the Company, they can choose to terminate the labor contract, proceed with the internal early retirement procedures or attend training for position transfer. On the other hand, when there is any job vacancy, staff pending for duties will have the priority of taking such vacancy, thereby minimizing the number of staff pending for duties.

Communication and caring

Striving to create a harmonious relationship with its employees, the Company has established effective communication channels and expressed its sincere care on employees. The Company has established a labor union and conducted regular staff representative meetings. The Company listened to staff' opinion through various means, thus enabling its staff to participate in the establishment of daily management and systems of the Company.

Third Meeting of the 13th Session of Staff Representative Meeting

The third meeting of the 13th session of staff representative meeting was held on 29 January 2016. At the meeting, 22 staff proposals were received from 11 labor union branches, which covered operation and management, corporate development, staff's interests, etc. The Company responded to some issues concerned by the staff, including remuneration reform, renovation of shanty dormitory areas, cancellation of property management for dormitories and other issues. The hospitality fees of the Company's operations, remuneration packages for management of the Company, operation expenses and condition about anti-corruption and self-discipline for the year 2015 were reported at the meeting. A total of 68 staff representatives attended the meeting, representing 38.2%, 33.8% and 36.8% of total number of the frontline staff, management team and female staff, respectively.



Training and Development

Staff training

Staff educational training is classified into professional technique training, special job training, position transfer training, secondary training and educational qualification training. In 2016, the Company's headquarters organized primary training of 818 session-hours, with a total of 137 participants. The training covered relevant training on informatization systems of the Company, safety competency and qualification training and introduction training for new staff etc., thus helping our staff obtain relevant qualifications for conducting works and improving operational efficiency.

Incentive and development

In 2016, the Company established and improved our performance-based remuneration and incentive systems. We formulated and implemented the Regulations of Performance of Employees, the Regulations of Performance of Grade III or above Managers and the Regulations of Remuneration and Incentives, thereby improving the initiatives, self-motivation and planning of the staff at all levels. The Company also strengthened the daily management practices integrating process and results and emphasized the mutual relationship between individuals and departments, thus ensuring the effective realization of the annual strategic goals.

Item	Data
Number of staff attended training (persons)	137
Investments in staff training (RMB'0000)	4.17
Coverage of staff training (%)	19.21
Coverage of training for junior staff (%)	11.4
Coverage of training for middle management (%)	90.76
Training for management (%)	62.5
Average training hours per year for all staff (hours)	1.14
Average training hours for junior staff (hours)	0.83
Average training hours for middle management (hours)	3.57
Average training hours for management (hours)	6.75

Note: Average training hours for each category=total training hours attended by the staff for each category/total number of staff members for relevant category

Collective Negotiation Meeting

In November 2016, the Company convened the collective negotiation meeting, with the main theme of performance appraisal and remuneration reform, which were matters concerned by employees. The meeting especially focused on the protection of special rights of our female employees. Pursuant to the laws and regulations including the Employment Contract Law and the Regulation of Sichuan Provincial on Population and Family Planning (Revised), based on the actual condition of the Company, the Company

amended the rules on maternity leave, paternity leave, paid annual leave and frequency of body check etc. and formulated the new draft for the Collective Contract and the Collective Wage Agreement, which played an important role in regulating the behavior of the Company and its employees, protecting the legal rights of both parties in accordance with laws, and establishing harmonious, stable relationship between the Company and its employees.



Occupational Health and Safety

In February 2016, the Company passed the supervision evaluation by China Quality Certification Centre in respect of corporate environment and occupational health and safety management system. The Company had established the QEOHS Management System in accordance with the GB/T 24001 Environmental Management Systems – Requirements with Guidance for Use and GB/T 28001 Requirements for Occupational Health and Safety Management System. In addition, the Company had formulated the QEOHS Operational Manual and a series of procedure and operational documents for the implementation of whole-process environmental management and occupational health and safety management. In February 2016, the Company passed the supervision evaluation by China Quality Certification Centre in respect of corporate environment and occupational health and safety management system.

Securing occupation health of employees

In order to prevent occupational diseases, the Company arranges regular body check for staff and special health check for staff holding special posts in accordance with relevant rules. In 2016, special health check had been arranged for 58 staff members holding special posts. Moreover, special body check items for female employees were added, reflecting our caring for health of female employees. The Company constructed staff canteen and established the centralized food procurement and the qualified supply chain management mode, thus ensuring food safety at source and providing safe, nutritious and healthy food for all employees.

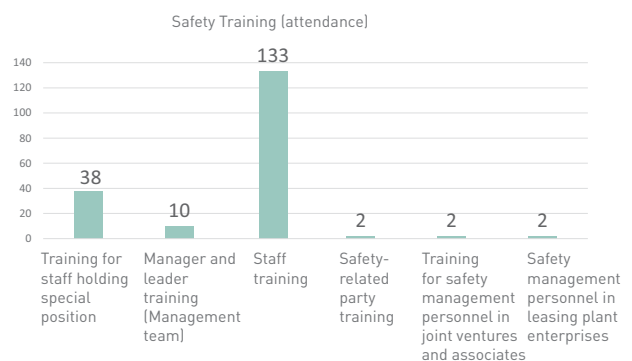
In 2016, the Company adopted additional measures for prevention of noises and radiation. We distributed labor safety supplies, which were in compliance with national standards, to 300 staff members. These labor safety supplies included work uniforms, labor protection utilities, special utilities for the staff holding special posts, tea, mineral water, first-aid kit, drugs for prevention of occupational diseases and allowances for works in high temperature, with a total value of RMB60,000.

Based on the standard of RMB100 per on-duty staff and

retired staff, the Company distributed the winter subsidy of RMB50 per person for staff pending for duty and retired staff.

Securing occupation safety of employees

Adhering to the strong emphasis on production safety, the Company highly focuses on safety production management. In accordance with the requirements of the party and the government as well as the responsibilities of the Company to the society, the Company adopts the rule of “Five Implementations, Five Achievements” and conducts real-time supervision on safety production. The foundations for safety works include the “Three Simultaneous” safety investment, labor protection investment, safety management department and accountability mechanism, control on material environment factor regarding major hazard, safety training, inspection and maintenance for key equipment, as well as safety hazard inspection and management. Striving to have an in-depth understanding of frontline operations, the Company knows about the accurate safety condition of frontline productions and timely discovers potential safety hazards in production procedures. The Company has established safety group and safety personnel system, and trained a group of employees who are specialists in frontline safety management, thereby implementing our works on safety hazard management. In addition, the Company has implemented safety management training, certification and grade II training for the staff holding special positions, training for leasing plant enterprises and training for relocation of Zhongling.



Safety Production Measures

1 In accordance with the general targets and management plan of the Company, each department has formulated the departmental plan on targets and management based on the actual condition within the department. Major environment factors and material potential hazards of the Company are identified, with 9 lists and control measures on boiler, air compressor, gas tank, high voltage distribution system, raw material warehouse, production noise, operating mechanic and equipment, electricity radiation, sulfur hexafluoride gas tank and forklift being formulated. Such controls are effective.



Figure: Management plan

2 The Company and each department have entered into 25 annual safety production responsibility agreements (including grade III enterprise and leasing plant enterprise within the industrial park).



Figure: Safety responsibility agreement

3 Promotional boards on safety knowledge are constructed in the industrial park, aiming to enhance the safety awareness of staff through advertisements.



Safety Production Measures

4 The Company has updated information on standardized management of 13 safety production items. The Company has completed rectifications on 23 issues raised under the inspection on qualification of standardization, and continued to improve and enhance its standardized operations during the ordinary course of operations.



5 Pursuant to the Regulation on Internal Security for Enterprises and Public Institutions and the requirements of local public security bureaus, based on actual public security in areas surrounding the industrial park of the Company, the Company installed new security surveillance facilities and electronic security alarming system in 2016. We optimized our management measures, reduced the cost for security manpower and enhanced our security level.



6 The Company cooperatively responded to site inspections conducted by local governmental departments. There were 4 inspections by safety supervision department, 6 inspections by environmental protection department, 2 inspections by fire service department and 5 inspections by public security department. There was no penalty made against the Company as a result of violation of laws and regulations or poor management.

Safety Production Inspections

Safety inspections: The Company has conducted special campaign for safety production month, special inspection on high pressure and pressure tolerance testing, monthly and quarterly inspection by joint inspection unit, and inspection on major safety supervision events, including the relocation of Zhongling and locomotive cable. There were a total of 68 safety hazards discovered, with 68 rectifications made (including grade II enterprise and leasing plant enterprise within the industrial park).



Safety drills or practices:Based on its business nature, subsidiaries and different departments under the Group conduct emergency drills or practices. For example, the energy transmission cable business department has completed the emergency drill for leakage accident of electronic radiation equipment; the Industrial Park Development Centre has completed the emergency drill for public security emergencies; Chengdu Branch of Pufa has completed the fire drill. The conformity and operation of such drills have met the expected goals.

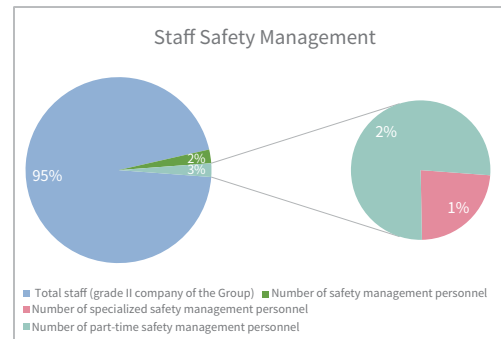
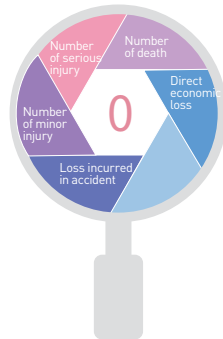


Fire drill at Chengdu Branch of Pufa

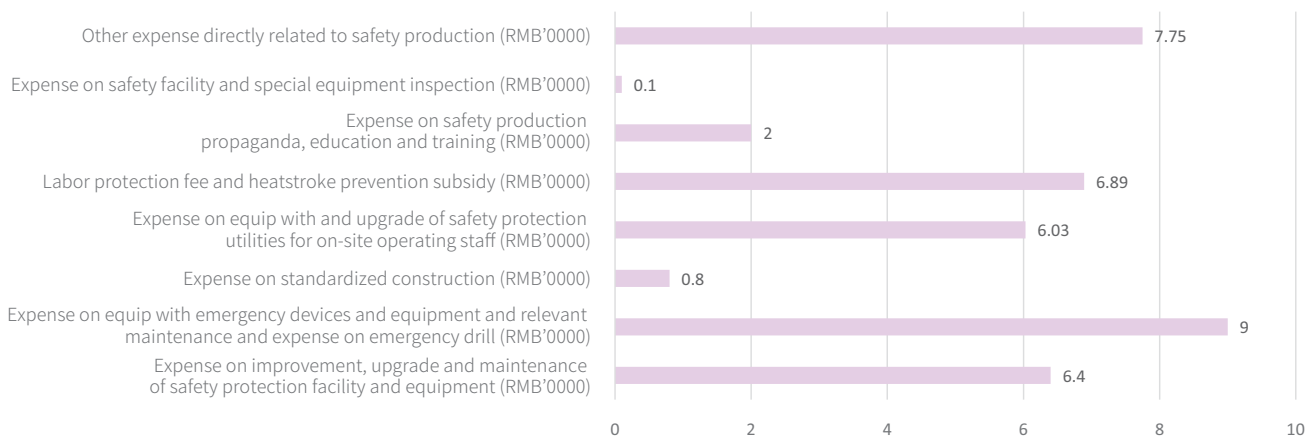


The Company conducts special training on "safety production management"

During 2016, the Company invested RMB389,700 in our safety production works and amended 72 safety rules and systems. The Company has met the general goal and requirement on occupational safety and safety production. There was no death or severe injury case, nor minor injury case in production, which is within our target rate of 3% or below. There was no environmental pollution incident, and the Company has met the energy conservation and emission reduction standard. There was no mass disturbance, criminal case or public security incident, which is within our target rate of 3% or below. There was no occupational disease incident or fire accident.



Safety Investment



Staff Caring

Supporting our staff

Focusing our works on caring staff and establishing harmonious environment for grassroots staff, the Company strives to enhance the sense of belonging, sense of pride, sense of responsibility and happiness of our staff, thus increasing their satisfactory and loyalty. Since 2015, the Company adopted specific measures in supporting every staff who are facing difficulties. The Company expresses our care on employees in every single aspect, continues to create innovative supporting measures, expands the scope of supporting measures and puts greater efforts on supporting the staff, which has received positive response from employees.

The Company has formulated

the Staff Supporting Scheme of Chengdu Putian Labor Union, aiming to understand the difficulties faced by our employees in respect of family income, basic living, children enrollment, medical care and rights protection, create filing of staff in needs and establish special supporting fund. The Company has conducted different caring services and campaigns, including the Jinqiu Scholarship, caring for staff suffering from illness, and visiting liberation army and their families. The Company also offered support to the qualified staff and their families who are facing difficulties, including supports on living, medical care and children enrollment etc., thereby helping

the grassroots staff solve their problems.

The Company expresses our care for employees in every single detail. We put great emphasis on the physical work environment, healthy development of the staff, and the retirement life of our retired staff. The Company has conducted different campaigns including sending warmth in winter, sending coolness in summer, female rights protection, canteen visit and festival visits etc., thus sending love and care to every staff, establishing harmonious, happy work environment and reflecting Putian's corporate culture of helping and caring others.

Item		2016	2015	2014
Consolation money for death of employees and their families	(RMB)	4802.00	5928.00	7222.00
	household	15	13	21
Consolation money for illness of employees and their families	(RMB)	6721.50	10771.30	6901.98
	household	18	24	28
Products given in visits to liberation army and their families	(RMB)	2500.00	2000.00	5500.00
	household	19	19	21
Jinqiu Scholarship families	(RMB)	12300.00	7200.00	21300.00
	household	12	7	20
Jinqiu education-aid families	(RMB)	2800.00	9200.00	4600.00
	household	3	10	4
Caring on employees suffering cancer families	(RMB)	4000.00	6000.00	0
	household	2	3	0

Special Visits to Staff Canteen

In March and April 2016, the Company conducted satisfactory survey on staff canteen. The staff representative committee organized special visits for the production and living committee and staff representatives. Hygiene or safety problems regarding utilities discovered during the visits are rectified immediately. On 17 May, the staff canteen has replaced exiting bowls and chopsticks with stainless steel bowls and bamboo chopsticks.



"Female Employees Caring" Campaign

Prior to the International Women's Day on 8 March, the Labor Union of the Company launched the "Female Employees Caring" Campaign, which covered: the commencement of special evaluation and recommendation works for female employees, inspections on protection of rights of female employees, visiting campaigns, the opening ceremony for the year of "Rose" family culture, and seminars etc.



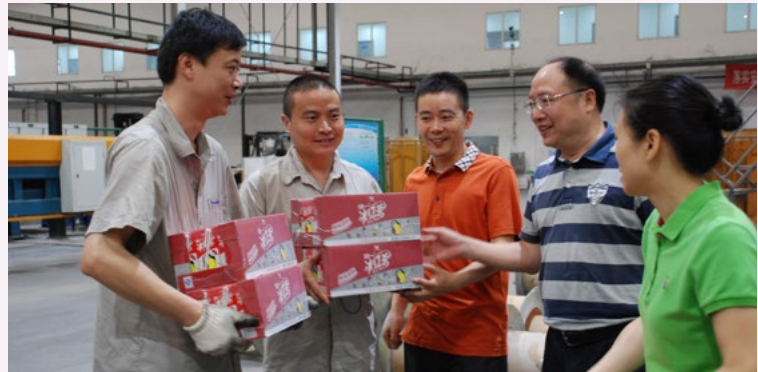
In March 2016, based on the age structure and duty characteristics of our female employees, the Company has invited Professor Tong Lin, an expert member of the lecturer team for female staff health knowledge seminars under the All-China Federation of Trade Unions, to conduct a seminar at the Company. The seminar covered new development and basic knowledge about reproductive health, common female cancers and relevant prevention.



On 7 March 2016, the inspection team of staff representative committee, as led by Dai Xiaoyi, the vice president of the Labor Union and the director of Female Staff Committee, conducted inspection on execution of special rights for female staffs at frontline workshop, and understood the situation of on-site female staffs. The inspection team also expressed its care on female staffs by delivering milk to female staffs at operating platforms.

Sending Coolness in Summer

On 22 July, where the “great heat” begun, the management team of the Company expressed their care by delivering cold drinks to frontline employees working under high temperature. Meanwhile, the Company also conducted special inspection on labor protection measures for hot season.



Visit to a retired old employee

On 15 August, the management of the Company visited Shang Wenying, a hundred-year-old, with the most sincere and warmest blessings. We wish him a happy birthday, good health and longevity!



Golden Autumn Schooling Assistance

As the new school year had been coming in September, the Company once again initiated the “Golden Autumn Schooling Assistance” and “Golden Autumn Scholarship”, which distributed relief fund of RMB15,100 to 15 qualified employees. Since the implementation of “Golden Autumn Schooling Assistance” in 2010 and “Golden Autumn Scholarship” in 2013, these programs have been more systematic, regular and reputable, becoming “heartwarming” projects caring about employees and their children.



"Chengdu Putian Cup" Badminton Tournament

Cultural Activities

The Company highly values the importance to enhance the spiritual culture of employees. In order to enrich the life of employees after work, promote the mental and physical health development of employees, improve the communication between employees and strengthen the cohesion of the Company, with reference to the willingness of employees, the Company organized a variety of healthy and beneficial cultural and sports activities and encouraged more employees to participate in an organized way, so as to create a good atmosphere for employees to exercise and improve life enjoyment by developing hobbies.



Welcoming Spring Festival Table Tennis Tournament



Welcoming Spring Festival activities

部分员工参与赛事获奖新闻

技能成就梦想

——国防电子系统光缆检测工二赛赛决赛特辑

又团结一致，协同合作，共同的学习，促进了技能的提升。

赛场上，以乐观的心态勇敢前行

本次比赛重点关注光缆核心部分——光纤的性能测试，给5位来自不同企业的选手，提供了展示自己技能的舞台，选手们精湛的技艺给大家留下了难忘的印象。



成都中住多次获奖

成都中住自成立以来，在纳税、客服、诚信经营、高科技技术企业、三型企业等多个领域共获得 40 多个奖项。

2014 年 8 月，成都中住电子有限公司获得由中国通信企业协会颁发的“中国光纤产业特别贡献奖”。

2015 年 11 月，成都中住电子有限公司荣获 2014 年“中国通信行业最佳客户满意度”奖。

2016 年 11 月，成都中住电子有限公司荣获 2016 年“中国通信行业最佳客户满意度”奖。




王泽遥获“成都市技术能手”称号

12 月 7 日，成都市总工会、成都市人力资源和社会保障局联合颁布《关于通报表扬“技能成就梦想”2016 年成都百万职工技能大赛优秀组织单位、赛道和选手的决定》，表彰大雁的先进集体和个人。成都中住光电光纤公司职工王泽遥凭借在国防电子系统光缆检测工二类赛中取得第一名的卓越表现，被授予“成都市技术能手”称号。

成都市百万职工技能大赛自 2004 年起，坚持每年举办。12 年来，大赛持续关注创新工作和重点行业，坚持以职工技能素质提升助力奋力创新的驱动发展的人才支撑，不但成为各行业技能人才技能比拼的舞台，更帮助众多成都一线工人用技能成就了梦想，越来越多的技术之星、成都工匠冉冉升起。2016 年，全市共有 201 位同志因在该项赛事中取得优异成绩，被授予“2016 年成都市技术能手”荣誉称号，将引领“成都工匠”由零星星星变成群星灿烂。

(罗嗣梅)

大赛喜获丰收

12 月 7 日，2016 年成都百万职工技能大赛在成都市工人体育馆隆重开幕。成都中住光电光纤公司职工王泽遥在国防电子系统光缆检测工二类赛中取得第一名的卓越表现，被授予“成都市技术能手”称号。

2016 年成都百万职工技能大赛国防电子系统光缆检测工二类赛成绩通报

第一名	成都中住光电光纤公司
第二名	成都中住光电光纤公司
第三名	成都中住光电光纤公司
第四名	成都中住光电光纤公司
第五名	成都中住光电光纤公司
第六名	成都中住光电光纤公司
第七名	成都中住光电光纤公司
第八名	成都中住光电光纤公司
第九名	成都中住光电光纤公司
第十名	成都中住光电光纤公司



公司获成都市“安康杯”竞赛优胜单位

在成都市总工会、成都市安全生产监督管理局联合组织的全市 2015 年第十七届“安康杯”竞赛中，公司被评为优胜单位。

近年来，公司坚持改革发展与安全发展同步推进的理念，不断充实和创新“安康杯”竞赛活动内容与方法，实现了年度生产消防零事故的安全目标。公司的主要做法一是加强宣传安全生产知识，重视安全文化建设，强化安全生产主体责任意识，有效预防和控制各类安全生产事故和隐患的发生；二是通过安全生产标准化三级达标，实现企业安全管理规范化，助力生产管理科学规范；三是将竞赛活动融入日常工作，把安全生产进一步落到实处；产业园发展中心作为公司安全生产的管理部门，强化源头治理，加大对重点部位和特种

设备的安全隐患排查。四是以《集体合同》为载体，促进《安全生产法》落实到位。公司把职工劳动安全卫生作为集体协商的重要内容，《集体合同》重点关注《安全生产法》《职工劳动保护特别规定》和《职业病防治法》，设立《集体合同》劳动安全卫生条款和职业病防治专章，切实保护职工劳动安全卫生和健康权利。

“安康杯”竞赛活动作为企业安全生产管理的有效途径，已成为公司安全生产体系建设、制度建设中的重要组成部分，这方面的工作在近三年成都市“安康杯”竞赛中均受到肯定。公司将把竞赛活动持续深入开展下去，不断提升安全保障能力和核心竞争力，实现企业安全发展、和谐发展。

(罗嗣梅)

市记协企业报分会年会召开

《成都普天》收获三奖项

4 月 21 日—22 日，成都市记协企业报分会 2016 年（第 14 届）年会暨成都市记协企业报分会三届理事会召开。会议总结了 2015 年工作，提出了 2016 年工作规划，传达成都市记协企业报分会工作会议精神，通报成都市记协企业报分会工作情况，表彰先进。会议还表彰了 2015 年度《成都普天》荣获“成都市记协企业报分会 2015 年度（第 13 届）成都新闻奖”企业报专项奖。成都市记协企业报分会会长王华出席会议并讲话。



Honors received:

- ◆ Winning Company in the 2015 Chengdu “Ankang Cup [安康杯]” Competition
- ◆ Outstanding Organization and Company in the 2016 Chengdu National Defense Electronic System Employee Table Tennis Competition
- ◆ Outstanding Organization and Company in the National Defense Electronic System Type II Contest of the 2016 “Skills Accomplish Dreams” Chengdu Million Employees Skills Competition (“技能成就梦想”2016 年成都百万职工技能大赛)
- ◆ No. 1 in the National Defense Electronic Optical Fiber and Cable Inspector Type II Contest of the 2016 “Skills Accomplish Dreams” Chengdu Million Employees Skills Competition
- ◆ Outstanding Organization Award in the “Chinese Dream•Beauty of Labor•Love in Labor Union” - “Labor Union by My Side” Chengdu National Defense Electronic System Employee Writing Competition (“中国梦•劳动美•工会情”——“工会在我身边”成都市国防电子系统职工征文比赛)
- ◆ “Technical Expert in Chengdu” in the 2016 “Skills Accomplish Dreams” Chengdu Million Employees Skills Competition

Attention to Charity

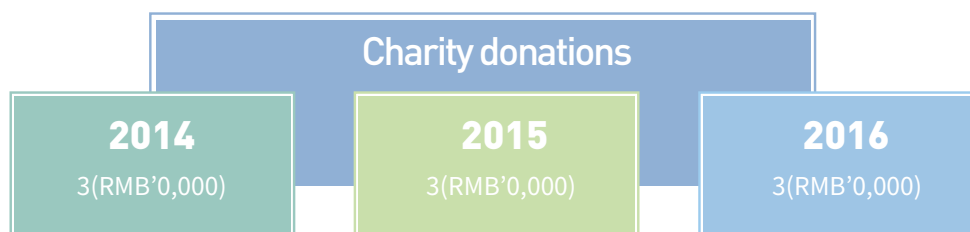
The development of the Company is inseparable from a stable society, prosperous economy and harmonious culture. In pursuit of our own development, the Company has always been adhering to the organic integration of our economic responsibilities, environmental responsibilities and social responsibilities and actively participated in charity events so as to perform our social responsibilities and creating value for sharing.

Caring for the Disadvantaged Groups

With respect to caring for the disadvantaged groups, the number of the disabled employed by the Company accounted for 1.6% of the total employees in 2016, showing the Company's active participation in tackling social problems.

With respect to social charity donations, Chengdu SEI Optical Fiber Co., Ltd. under Chengdu Putian has adhered to provide financial assistance for destitute schools over the years. In June 2016, SEI Optical Fiber donated RMB30,000

to Chengdu Hi-tech Industrial Development Zone Charity for precise poverty alleviation and schooling assistance, hoping to make contribution for the education in the poverty-stricken regions in Sichuan even with modest effort and to motivate more organizations and individuals in the society to pay attention to destitute schools and help the children in impoverished families by donation activities.



Charity Donations from 2014 to 2016

Participation in Community Building

◆ Following the unified arrangement of the government and cooperating with the community and residents' self-governing organizations, the Company motivated residents to participate in courtyard management and completed the "one flowmeter for one household" tap water transformation project for 2 living areas for employees (308 households).

◆ The Company cooperated in the completion of the "One Standard and Three Identification" registration for all

courtyards of the Company, which was highly recognized by Fangcao Local Police Station and the community.

◆ The retired branch party general of the Company participated in community charity activities over a long period of time to contribute for the community and courtyard building and serve the residents in the community, achieving mutual development of the Company and the community.



Relevant Index

The Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

Core topics	Indicators	Page(s) for disclosure
Subject Area A. Environmental Protection		
A1.Emissions	A1.1The types of emissions and respective emissions data	24
	A1.2Greenhouse gas emissions in total(in tonnes) and, where appropriate,intensity (e.g. per unit of productionvolume, per facility)	24
	A1.3Total hazardous waste produced(in tonnes) and, where appropriate,intensity (e.g. per unit of production volume, per facility)	24
	A1.4Total non-hazardous waste produced(in tonnes) and, where appropriate,intensity (e.g. per unit of production volume, per facility)	24
	A1.5Description of measures to mitigate emissions and results achieved	23 / 24
	A1.6Description of how hazardous and non-hazardous waste is handled,reduction initiatives and resultsachieved	23 / 24
A2.Use ofResources	A2Policies on the efficient use of resources, including energy, water and other raw materials.	24
	A2.1Direct and/or indirect energyconsumption by type (e.g. electricity,gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of productionvolume, per facility)	24
	A2.2Water consumption in total and intensity (e.g. per unit of production volume, per facility)	24
	A2.3Description of energy use efficiencyinitiatives and results achieved	
	A2.4Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	
A3.TheEnvironmentand NaturalResources	A2.5Total packaging material used forfinished products (in tonnes) and, ifapplicable, with reference to per unitproduced	
	A3Policies on minimizing the issuer's significant impacton the environment and natural resources	
	A3.1Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	24
Subject AreaB. Social, Employment and Labor Practices		
B1.Employment	B1.1Total workforce by gender,employment type, age group and geographical region	27
	B1.2 Employee turnover rate by gender,age group and geographical region	28

Core topics	Indicators	Page(s) for disclosure
B2. Health and Safety	B2.1 Number and rate of work-related fatalities	34
	B2.2 Lost days due to work injury	
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	31
B3. Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	27
	B3.2 The average training hours completed per employee by gender and employee category	27
B4. Labor Standards	B4.1 Description of measures to review employment practices to avoid child and forced labor	27
	B4.2 Description of steps taken to eliminate such practices when discovered	
Subject Area B. Social and Operating Practices		
B5. Supply Chain Management	B5.1 Number of suppliers by geographical region	
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	17
B6. Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	
	B6.2 Number of products and service related complaints received and how they are dealt with	21
	B6.3 Description of practices relating to observing and protecting intellectual property rights	20
	B6.4 Description of quality assurance process and recall procedures	19
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	
B7. Anti-corruption	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	15
8. Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	40
	B8.2 Resources contributed (e.g. money or time) to the focus area	37 / 40

Feedback Form for Readers

Dear Readers,

Thank you for reading the 2016 Environmental, Social and Governance Report published by Chengdu PUTIAN Telecommunications Cable Company Limited. To make use of the report as a means for communication and to effectively and continuously improve the Company's management and practice in social responsibility, we are sincerely looking forward to your comments and suggestions.

Please contact us at:

Address No. 18, Xinhang Road, The West Park of Hi-tech Development Zone, Chengdu, Sichuan Province, The PRC.
Postal code 611731 Email box cdc@cdc.com.cn

1. How would you evaluate Chengdu PUTIAN Telecommunications Cable Company Limited in performing social responsibility as a whole?

Very good Good Fair Poor Very poor

2. How would you evaluate this report as a whole?

Very good Good Fair Poor Very poor

3. How would you evaluate the performance of communication with stakeholders of Chengdu PUTIAN Telecommunications Cable Company Limited?

Very good Good Fair Poor Very poor

4. How would you evaluate the performance of economic responsibility of Chengdu PUTIAN Telecommunications Cable Company Limited?

Very good Good Fair Poor Very poor

5. How would you evaluate the performance of customer services of Chengdu PUTIAN Telecommunications Cable Company Limited?

Very good Good Fair Poor Very poor

6. How would you evaluate the performance of environmental responsibility of Chengdu PUTIAN Telecommunications Cable Company Limited?

Very good Good Fair Poor Very poor

7. How would you evaluate the performance of employee responsibility of Chengdu PUTIAN Telecommunications Cable Company Limited?

Very good Good Fair Poor Very poor

8. How would you evaluate the performance of social responsibility of Chengdu PUTIAN Telecommunications Cable Company Limited?

Very good Good Fair Poor Very poor

9. Do you find this report easy-to-read in terms of its contents and formatting?

Yes No

10. What are your comments and suggestions for Chengdu PUTIAN Telecommunications Cable Company Limited in performing social responsibility and this report?

Note: Please put a tick in the appropriate box.

Potevio

Chengdu Putian Telecommunications Cable Company Limited

No. 18, Xinhang Road,
The West Park of Hi-tech Development Zone,
Chengdu, Sichuan Province, The PRC
Postal Code: 611731 Tel: (028) 8787 7000 Fax: (028) 8787 7001

