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**成都普天電纜股份有限公司**

**CHENGDU PUTIAN TELECOMMUNICATIONS CABLE COMPANY LIMITED**

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 1202)

**SUPPLEMENTAL ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
CABLE ASSEMBLY PROCESSING SERVICE  
FRAMEWORK AGREEMENT**

Reference is made to the announcement of Chengdu PUTIAN Telecommunications Cable Company Limited (the “**Company**”) dated 29 April 2022 (the “**Announcement**”) on the Continuing Connected Transactions. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

This announcement is to provide supplemental information of the basis of pricing and the annual caps.

**PRICING BASIS**

As the transactions contemplated under the Cable Assembly Processing Service Framework Agreement is a new arrangement, there has been no historical transactions conducted by the Group with Chengdu Siwi High-Tech prior to the Cable Assembly Processing Service Framework Agreement, nor has the Group enter into any similar arrangements with other parties for the assembling and processing of high-low frequency cable products that can serve as a reference. Due to the degree of customization on the specifications of the cable products required by Chengdu Siwi High-Tech, the price is not fixed. The cost of the cable products in the industry is mainly composed of raw materials and the sales price is generally determined by cost plus profit margin approach. The Company considers the gross profit margin of the Continuing Connected Transactions will be in the range of approximately 10% to 15%, with reference to the overall gross profit margin of the Group for the financial year ended 31 December 2021 and the expected market competition of the Group during the term of the Cable Assembly Processing Service Framework Agreement. As mentioned in the Announcement, the proposal selection process will be organized by Chengdu Siwi High-Tech and they will invite at least three suppliers to submit their respective offering documents, which will undergo a stringent assessment process by Chengdu Siwi High-Tech’s production, legal, technical and quality assurance department, thus determine the prevailing market price.

## **BASIS OF ANNUAL CAPS**

As mentioned above, since the pricing will be generally determined by cost plus profit margin approach, with the major cost being the cost of raw materials which is copper, and noting the average market price for copper has already risen significantly in 2021, the Company expects the trend in copper prices will remain relatively stable in the near future, thus the expected price also remains to be stable as well. The Company has also taken into account the historical demand of Chengdu Siwi High-Tech of similar assembly and production services in recent years, the expected annual growth in demand for such products from Chengdu Siwi High-Tech and its estimated annual production capacity for such assembly and production services during the term of the Cable Assembly Processing Service Framework Agreement.

Save for the above, the content of the Announcement remains unchanged.

Chengdu, the PRC, 6 May 2022

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

**Executive Directors:** Ms. Li Tao (*Chairman*), Mr. Li Jianyong, Mr. Hu Jiangbing, Mr. Wu Xiaodong, Mr. Zhu Rui and Mr. Jin Tao

**Independent Non-executive Directors:** Ms. Fu Wenjie, Mr. Xiao Xiaozhou and Mr. Zhong Qishui