

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Putian Communication Group Limited

普天通信集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1720)

INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE INVESTMENT

This announcement is made by Putian Communication Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE INVESTMENT

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to announce that, after trading hours on 23 July 2018, the Group entered into a memorandum of understanding (the “**MOU**”) in respect of a possible investment (the “**Possible Investment**”) to a target company (the “**Target Company**”) which principally operates in medical information technology data centre. The MOU sets forth the understanding between the parties thereto and certain preliminary terms in relation to the Possible Investment. It is expected that upon completion of the Possible Investment, the Target Company will not become a subsidiary of the Company.

Pursuant to the MOU, without the prior written consent of the Group, during the period from the date of the MOU up to the later of (i) the date falling 30 days from the date of the MOU; or (ii) such later date as the parties may otherwise agree in writing) (the “**Exclusivity Period**”), the Target Company shall not, and shall ensure their subsidiaries, their respective directors, management, representatives and/or consultant shall not, have any contacts, discussions or negotiation with any third party(ies) and/or enter into any agreement, arrangement and/or understanding, aiming at or may result in a transaction which may contradict with the nature of the Possible Investment under the MOU.

The MOU will terminate upon the earliest of any of the followings:

- i. the execution of a formal agreement;
- ii. the expiry of the Exclusivity Period; or
- iii. any other dates as agreed by the parties in writing.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, each of the Target Company and its ultimate beneficial owners is a third party independent of the Company and its core connected persons (as defined under the Listing Rules).

REASONS FOR AND THE BENEFITS OF THE POSSIBLE INVESTMENT

As mentioned in the announcement of the Company dated 4 May 2018, as a well-established and fast growing communication cable manufacturer and structured cabling system product provider, the Group noted that the downstream markets of structured cabling system products in China are continuously expanding. Given that data centre industry is one of the downstream market players of structured cabling system products, the Board is of the view that there will be a sustainable growth in the data centre industry and the Possible Investment, if substantiated, will serve as a good chance for the Group to enter into the downstream markets of structured cabling system product in China, so as to capture the growing trend and diversify the business of the Group.

GENERAL

The Board wishes to remind the shareholders of the Company (the “**Shareholders**”) that there is no assurance that the formal agreement will be signed among the parties concerned. The Possible Investment may constitute a discloseable transaction for the Company under the Listing Rules and further announcement(s) in relation to the Possible Investment will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Board wishes to emphasis that all terms and conditions of the formal agreement relating to the Possible Investment are still under negotiations between the parties thereto and the transactions under the MOU may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Putian Communication Group Limited
WANG Qiuping
Chairlady

The PRC, 23 July 2018

As at the date of this announcement, the Board comprises Ms. Wang Qiuping, Mr. Zhao Xiaobao and Ms. Zhao Moge as executive Directors; and Ms. Cheng Shing Yan, Mr. Liu Guodong and Mr. Xie Haidong as independent non-executive Directors.