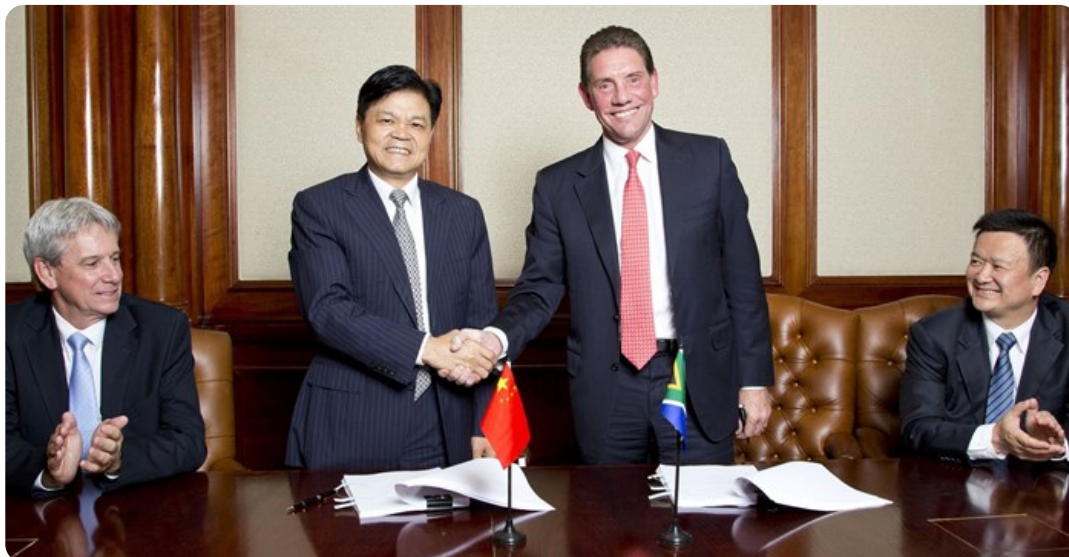




## Altron sells Aberdare Cables controlling stake for R1.2b

Power Technologies Proprietary Limited (Powertech), a wholly owned subsidiary of JSE listed Allied Electronics Corporation Limited (Altron), has entered into binding agreements with Hengtong Optic - Electric Co Limited (Hengtong) regarding the sale of a controlling equity stake Aberdare Cables South Africa and a 100% equity stake in Aberdare Europe, comprising its Spanish and Portuguese operations, for approximately R1.2b in cash.



From left: Neil Kayton, Genliang Cui, Robert Venter, Dr Anmin Gao

Powertech will retain a 17.5% interest in Aberdare Cables' South African operation for a period of approximately two years at which time agreement has been reached for Hengtong to purchase Powertech stake at the same valuation as the initial transaction. This transaction excludes the CBI Electric Aberdare ATC Telecom Cables (Pty) Ltd joint venture in which Aberdare Cables holds a 50% equity stake, and the 49% equity stake in Alcon Marepha (Pty) Ltd which has been sold separately for R19m.

Hengtong Group chairman, Genliang Cui and Hengtong Group vice president, Dr Anmin Gao, joined Altron chief executive, Robert Venter and Powertech chief executive officer, Neil Kayton at an event in Johannesburg over the weekend to mark the signing of the agreements pertaining to the transaction.

Listed on the Shanghai Stock Exchange, Hengtong is the fourth largest cable manufacturer in China and one of the largest cable manufacturers in the world. According to Genliang Cui, the purchase is an important event in Hengtong's internationalisation endeavours. "Aberdare Cables is a strategic acquisition as it will increase our market presence and enable us to enhance our global competitiveness, particularly within emerging markets," he said.

Commenting on the signing of the agreement, Venter said: "We have disposed of a number of assets in recent months as part of our strategy to focus on core businesses and reduce our exposure to manufacturing. The sale to Hengtong is the right move for Aberdare as Hengtong is well-suited to support and develop the Aberdare Cables group through procurement benefits, product expansion, systems development, geographic expansion and technical expertise. Furthermore, the Aberdare Group will be provided with access to the operating experience and financial backing of Hengtong plus insight into the strategies and workings of a world leading cable manufacturer."

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