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Smart Link Better Life.

長飛光纖光纜股份有限公司

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6869)

ANNOUNCEMENT ON RECEIPT OF GOVERNMENT GRANTS

1. Basic information on receipt of grants

Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (hereinafter referred to as the “**Company**”) and the subsidiaries controlled by it received accumulated government grants amounting to RMB216,112,258.12 in total during the period from 1 January 2019 to 28 June 2019. The main grants are as follows:

Names of the Company and the subsidiaries controlled by it	Items of the grant or reason thereof	Amount of the grant (RMB)	Date of receiving notice of disbursement or the grant	Basis of the grant	Type of the grant
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for five-year development	116,537,782.00	29 January 2019	Cooperation Agreement	Related to income/ Related to assets
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for five-year development	82,126,481.00	28 June 2019	Cooperation Agreement	Related to income/ Related to assets
Yangtze Gas Qianjiang Company Limited	Grants for infrastructure construction	3,670,000.00	10 May 2019	[2019] Qian Zheng Yu Zi No.12 ([2019]潛政預字第12號)	Related to assets

Names of the Company and the subsidiaries controlled by it	Items of the grant or reason thereof	Amount of the grant (RMB)	Date of receiving notice of disbursement or the grant	Basis of the grant	Type of the grant
Yangtze Optic Fibre (Qianjiang) Co., Ltd.	Upgrading of traditional industries	2,000,000.00	14 February 2019	E Cai Qi Fa [2018] No. 84 (鄂財企發[2018]84號)	Related to assets
EverPro Technologies Company Limited	Provincial major technical transformation and demonstration projects for 2018	2,000,000.00	3 April 2019	E Jing Xin Gui Hua Han [2018] No. 409 (鄂經信規劃函[2018]409號)	Related to assets
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Listing awards at the provincial level	2,000,000.00	14 June 2019	E Jin Ban Fa [2018] No. 17 (鄂金辦發[2018]17號)	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Listing awards at the municipal level	1,500,000.00	23 April 2019	Wu Jin Wen [2019] No. 22 (武金文[2019]22號)	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for energy saving	1,000,000.00	24 April 2019	Wu Fa Gai Huan Zi [2018] No. 320 (武發改環資[2018]320號)	Related to assets
Others ^(Note)		5,277,995.12			Related to income/ Related to assets
Total		216,112,258.12			

Note: The item “Others” constitutes several grants and the amount for each grant is below RMB1 million.

2. Types of grants

The Company confirmed the above matters and determined the types of grants according to the Accounting Standards for Business Enterprises No.16 - Government Grants.

Among the above-mentioned government grants of RMB216,112,258.12, the government grants relating to income amounted to RMB177,256,401.16, accounting for 11.90% of the Company's audited net profit attributable to shareholders of the parent company for the latest financial year; the government grants relating to assets amounted to RMB38,855,856.96, accounting for 0.30% and 0.47% of the Company's latest audited total assets and net assets, respectively.

3. Impact of grants on the Company

Government grants relating to income are directly included in the profit or loss for the current period or are used to offset the relevant cost or expenses incurred. Government grants relating to assets are recognized as deferred income. The specific accounting treatment shall be subject to the audit report to be issued by the auditors after the completion of the Company's annual audit work. Investors are advised to be cautious about investment risks.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, 2 July 2019

As at the date of this announcement, the Board comprises Zhuang Dan and Frank Franciscus Dorjee, as executive directors; Ma Jie, Yao Jingming, Philippe Claude Vanhille, Pier Francesco Facchini, Xiong Xiangfeng and Zheng Huili, as non-executive directors; Ngai Wai Fung, Ip Sik On Simon, Li Ping and Li Zhuo, as independent non-executive directors.

** For identification purposes only*