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Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

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This announcement is issued by Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

Reference is made to the announcements of the Company dated December 23, 2016, March 24, 2017 and June 30, 2017, and the circulars of the Company dated April 6, 2017 and May 5, 2017 in relation to, among other matters, the proposed A Share Offering.

**(1) ALIGNMENT IN THE DISCLOSURE OF FINANCIAL STATEMENTS IN
ACCORDANCE WITH THE CASBE IN DOMESTIC AND INTERNATIONAL
MARKETS**

Since the date on which the H Shares of the Company became listed on the Stock Exchange, the Company has been preparing its financial statements under both the CASBE and the IFRS and has made disclosure of financial information based on the IFRS.

* *For identification purposes only*

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Stock Exchange in December 2010, PRC incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the CASBE and PRC audit firms approved by the MOF and the CSRC are allowed to audit these financial statements in accordance with the China Standards on Auditing (the “**Arrangement**”).

Pursuant to Articles 152 and 153 of the Articles of Association, the financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the shares are listed, and any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the shares are listed.

In view of the Arrangement and the continuing convergence between CASBE and IFRS and in order to facilitate the application process with the CSRC in relation to the proposed A Share Offering, to align the financial disclosure of the Company in both markets as well as to improve the efficiency and reduce the cost of disclosure, the Board has passed a resolution on January 17, 2018 to make disclosure of financial information of the Company based on the financial statements which are prepared under the CASBE (the “**Alignment of Accounting Standards**”) pursuant to the Articles of Association and applicable PRC laws and regulations. As confirmed by our PRC counsels, the Company is allowed to adopt CASBE to prepare its financial statements and disclose such relevant financial information under applicable PRC laws and regulations as well as the Articles of Association.

It is expected that the annual results of the Company for the year ended December 31, 2017 (the “**2017 Annual Results**”) will be disclosed in accordance with the CASBE. The preparation of the 2017 Annual Results is in progress and the Company expects to publish the same in March 2018. The Board is of the view that the Alignment of Accounting Standards will facilitate the application process of the proposed A Share Offering and is in the best interest of the Company and the Shareholders as a whole.

In order to satisfy the possible request for the financial statements prepared under the IFRS from certain Shareholders (including those which are publicly listed companies) and pursuant to the Articles of Association, the Company shall continue to prepare financial statements under the IFRS. The Company shall comply with applicable requirements under the Listing Rules as and when providing any required information to any of its Shareholders.

(2) FINANCIAL INFORMATION PREPARED UNDER THE CASBE

For better understanding of the implications of the Alignment of Accounting Standards, due to the adoption of the financial statements prepared under the CASBE and the disclosure of such relevant financial information, it is expected that there is no material difference in various financial line items such as total assets, net assets, revenue and net profit between the financial statements prepared under the CASBE and the financial statements prepared under the IFRS by the Company for the year ended December 31, 2016, details of which will be disclosed in the 2017 Annual Results. The Board has confirmed that the financial conditions and the results of operations of the Group shall not be affected by virtue of the adoption of the financial statements prepared under the CASBE and the disclosure of such financial statements.

(3) PROPOSED CESSATION OF APPOINTMENT OF INTERNATIONAL AUDITOR

KPMG has been appointed by the Company at the annual general meeting of the Company for the year 2016 as an international auditor to audit the financial statements of the Company prepared in accordance with the IFRS for the purpose of financial disclosure under the Listing Rules. As the financial statements to be disclosed by the Company under the Listing Rules shall be prepared under the CASBE, the Board has proposed to cease to re-appoint KPMG as the international auditor of the Company (the **“Proposed Cessation of Appointment”**), subject to the approval by the Shareholders. KPMG Huazhen LLP, the Company’s existing PRC auditor, is a PRC audit firm approved by the MOF and the CSRC to provide auditing services in accordance with the CASBE to PRC incorporated issuers. KPMG Huazhen LLP will be the only auditor auditing the Company’s financial statements prepared under the CASBE for the purpose of financial disclosure under the Listing Rules and undertaking the role of international auditor in compliance with the Listing Rules upon the approval of the Shareholders.

KPMG has confirmed that there were no matters regarding the Proposed Cessation of Appointment that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there were no disagreement between the Company and KPMG regarding the Proposed Cessation of Appointment. The Board further confirmed that it is not aware of any matters regarding the Proposed Cessation of Appointment that needs to be brought to the attention of the Shareholders.

The Company shall convene a Shareholders’ meeting to consider and approve the resolution regarding the Proposed Cessation of Appointment. A circular containing the details of the resolution, together with a notice to convene the Shareholders’ meeting, is expected to be dispatched to the Shareholders in due course.

Shareholders, potential investors and readers are advised to exercise caution in dealing in securities of the Company.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share Offering”	the Company’s proposed initial public offering of not more than 75,790,510 A Shares, which are proposed to be listed on the Shanghai Stock Exchange
“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are proposed to be issued by the Company pursuant to the A Share Offering and subscribed for in Renminbi
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“CASBE”	the China Accounting Standards for Business Enterprises (中國企業會計準則)
“Company”	Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the directors of the Company
“Domestic Shares”	ordinary shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group”	the Company and its subsidiaries

“H Shares”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“IFRS”	the International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOF”	Ministry of Finance of the PRC (中國財政部)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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, January 17, 2018

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.

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