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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)**

**CONNECTED TRANSACTION INVOLVING  
INDIRECT SUBSCRIPTION OF NEW DOMESTIC SHARES  
BY A CONNECTED PERSON**

**BACKGROUND**

Reference is made to the announcements of the Company dated June 10, 2015 and July 28, 2015 in relation to, inter alia, the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription. To implement the Proposed Employee Stock Ownership Scheme, a private placement of new H Shares and new Domestic Shares will be carried out by the Company which involves the Connected H Share Subscription, the Connected Domestic Share Subscription, the Employee LPs Domestic Share Subscription and the H Share Placing. In particular, in connection with the issue of new Domestic Shares to connected persons, on July 28, 2015, the Company entered into 11 LP Unit Subscription Agreements with each of the Connected Domestic Share Subscribers, except for Mr. Jiang Zhikang, and pursuant to such LP Unit Subscription Agreements, the Connected Domestic Share Subscribers (other than Mr. Jiang Zhikang) have conditionally agreed to indirectly subscribe for New Domestic Shares by subscribing for New Domestic Shares LP Units of the Limited Partnership representing a total of 13,529,000 underlying Domestic Shares, and the Company has conditionally agreed to allot and issue a total of 13,529,000 Domestic Shares to the Limited Partnership as part of the New Domestic Shares to be issued under the Proposed Employee Stock Ownership Scheme, at a price of HK\$7.15 per underlying Domestic Share.

On August 29, 2015, the Company entered into an LP Unit Subscription Agreement with Mr. Jiang Zhikang, a supervisor of the Company and one of the Connected Domestic Share Subscribers. Pursuant to this LP Unit Subscription Agreement, Mr. Jiang Zhikang has conditionally agreed to indirectly subscribe for New Domestic Shares by subscribing for New Domestic Shares LP Units in the Limited Partnership, representing 723,000 underlying Domestic Shares, and the Company has agreed to allot and issue 723,000 Domestic Shares to the Limited Partnership as part of the New Domestic Shares to be issued under the Proposed Employee Stock Ownership Scheme, at a price of HK\$7.15 per underlying Domestic Share. Accordingly, a total of 14,252,000 Domestic Shares will be issued to the Limited Partnership pursuant to the 12 LP Unit Subscription Agreements.

The aggregate number of Subscribed Domestic Shares is 14,252,000, which represents:

- (i) approximately 4.75% of the total number of Domestic Shares in issue and approximately 2.23% of the existing total issued share capital of the Company; and
- (ii) approximately 4.31% of the enlarged total issued Domestic Shares of the Company and 2.09% of the enlarged total issued share capital of the Company upon completion of the Private Placement.

The Subscribed Domestic Shares will be issued pursuant to the Specific Mandates to be sought from the Independent Shareholders at the General Meetings. The Specific Mandates, if granted, will be valid for a period of 12 months from the date on which the relevant resolutions approving the Specific Mandates are passed.

#### **LISTING RULES IMPLICATIONS**

The Connected Domestic Share Subscribers include four Directors, namely Mr. Wen Huiguo, Mr. Yao Jingming, Mr. Xiong Xiangfeng and Ms. Zheng Huili, seven senior management members of the Company, namely Mr. Zhuang Dan, Mr. Jan Bongaerts, Mr. Zhang Mu, Mr. Yan Changkun, Mr. Luo Jie, Mr. Yu Jianwu and Mr. Zhang Yanxiang, who are directors and/or supervisors of the subsidiaries of the Company, and a supervisor of the Company, namely Mr. Jiang Zhikang. The Limited Partnership will be wholly and beneficially owned by the Connected Domestic Share Subscribers. The Connected Domestic Share Subscribers and the Limited Partnership are connected persons of the Company under the Listing Rules and the transactions contemplated under the LP Unit Subscription Agreements constitute connected transactions of the Company and are subject to the annual reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DESPATCH OF CIRCULAR**

An extraordinary general meeting, as well as an H Share class meeting and a Domestic Share class meeting will be convened to consider and, if thought fit, to approve, among other things, the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription. At the extraordinary general meeting, the Domestic Share Class Meeting and the H Share Class Meeting, the Connected Domestic Share Subscribers, the Connected H Share Subscribers and other eligible senior management and core employees who will participate in the Proposed Employee Stock Ownership Scheme (to the extent any of them holds any Shares) and their respective associates will be required to abstain from voting on the resolutions to approve the Connected H Share Subscription, the Connected Domestic Share Subscription, the Specific Mandates and the Proposed Employee Stock Ownership Scheme.

A circular containing, among others, details of the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription, a letter from the independent board committee to the Independent Shareholders containing its recommendation, a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders, together with a notice to convene an extraordinary general meeting, an H Share class meeting and a Domestic Share class meeting to approve the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription, will be despatched as soon as practicable and within 15 business days after the publication of this announcement.

## **BACKGROUND**

Reference is made to the announcements of the Company dated June 10, 2015 and July 28, 2015 in relation to, inter alia, the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription. To implement the Proposed Employee Stock Ownership Scheme, a private placement of new H Shares and new Domestic Shares will be carried out by the Company which involves the Connected H Share Subscription, the Connected Domestic Share Subscription, the Employee LPs Domestic Share Subscription and the H Share Placing. In particular, in connection with the issue of new Domestic Shares to connected persons, on July 28, 2015, the Company entered into 11 LP Unit Subscription Agreements with each of the Connected Domestic Share Subscribers, except for Mr. Jiang Zhikang, and pursuant to such LP Unit Subscription Agreements, the Connected Domestic Share Subscribers (other than Mr. Jiang Zhikang) have conditionally agreed to indirectly subscribe for New Domestic

Shares by subscribing for New Domestic Shares LP Units of the Limited Partnership representing a total of 13,529,000 underlying Domestic Shares, and the Company has conditionally agreed to allot and issue a total of 13,529,000 Domestic Shares to the Limited Partnership as part of the New Domestic Shares to be issued under the Proposed Employee Stock Ownership Scheme, at a price of HK\$7.15 per underlying Domestic Share.

On August 29, 2015, the Company entered into a LP Unit Subscription Agreement with Mr. Jiang Zhikang, a supervisor of the Company and one of the Connected Domestic Share Subscribers. Pursuant to this LP Unit Subscription Agreement, Mr. Jiang Zhikang has conditionally agreed to indirectly subscribe for New Domestic Shares by subscribing for New Domestic Shares LP Units in the Limited Partnership, representing 723,000 underlying Domestic Shares, and the Company has agreed to allot and issue 723,000 Domestic Shares to the Limited Partnership as part of the New Domestic Shares to be issued under the Proposed Employee Stock Ownership Scheme, at a price of HK\$7.15 per underlying Domestic Share. Accordingly, a total of 14,252,000 Domestic Shares will be issued to the Limited Partnership pursuant to the 12 LP Unit Subscription Agreements.

## **LP UNIT SUBSCRIPTION AGREEMENT**

### **Date:**

August 29, 2015

### **Parties:**

- (1) The Company; and
- (2) Mr. Jiang Zhikang.

Save for the number of the New Domestic Shares LP Units to be subscribed for by Mr. Jiang Zhikang, all other terms and conditions under the LP Unit Subscription Agreements entered into by Mr. Jiang Zhikang and the other LP Unit Subscription Agreement entered into by the other Domestic Share Subscribers are substantially the same.

### **New Domestic Shares LP Units:**

Pursuant to LP Unit Subscription Agreement with Mr. Jiang Zhikang, Mr. Jiang Zhikang has conditionally agreed to indirectly subscribe for New Domestic Shares by subscribing for New Domestic Shares LP Units of the Limited Partnership representing a total of 723,000 underlying Domestic Shares and the Company has conditionally agreed to allot and issue a total of 723,000 Domestic Shares to the Limited Partnership as part of the new Domestic

Shares to be issued under the Proposed Employee Stock Ownership Scheme, at a price of HK\$7.15 per underlying Domestic Share. The Limited Partnership will be wholly and beneficially owned by the Connected Domestic Share Subscribers, including Mr. Jiang Zhikang.

The aggregate number of Subscribed Domestic Shares is 14,252,000, which represents:

- (i) approximately 4.75% of the total number of Domestic Shares in issue and approximately 2.23% of the existing total issued share capital of the Company; and
- (ii) approximately 4.31% of the enlarged total issued Domestic Shares of the Company and 2.09% of the enlarged total issued share capital of the Company upon completion of the Private Placement.

The Subscribed Domestic Shares, when fully paid up and issued, will rank pari passu in all respects amongst themselves and with the Domestic Shares in issue at the time of issue and allotment of the Subscribed Domestic Shares and in particular will rank in full for all dividends and other distributions declared, made or paid hereafter.

#### **Subscription Price:**

Taking into account the fact that the Subscribed Domestic Shares are not publicly traded and therefore have little liquidity, it is determined that the Subscribed Domestic Shares, which includes the 723,000 Domestic Shares attributable to Mr. Jiang Zhikang, will be issued at a price of HK\$7.15 per Subscribed Domestic Share, representing approximately 85% of the average closing price of the H Shares for the 90 trading days immediately before June 10, 2015, that is the date of the announcement relating to the Proposed Employee Stock Ownership Scheme.

#### **Conditions to the LP Unit Subscription Agreement with Mr. Jiang Zhikang:**

The completion of the subscription by Mr. Jiang Zhikang of the New Domestic Shares LP Units and the issue and allotment of the Subscribed Domestic Shares to the Limited Partnership by the Company pursuant to the LP Unit Subscription Agreement shall be conditional upon the following conditions having been fulfilled:

- (i) the passing by Shareholders of resolutions approving the Proposed Employee Stock Ownership Scheme and the Private Placement at an extraordinary general meeting, a Domestic Share class meeting and a H Share class meeting (as applicable);

- (ii) the passing by Independent Shareholders of a resolution approving the issue and allotment of the new Domestic Shares and the New Domestic Shares LP Units pursuant to the terms and conditions of the LP Unit Subscription Agreements and the other arrangements contemplated by the LP Unit Subscription Agreements; and
- (iii) all necessary PRC governmental and regulatory approvals and consents regarding the subscription of the New Domestic Shares LP Units and other arrangements contemplated by the LP Units Subscription Agreements having been obtained by the Company.

**Payment of Subscription Price and Completion under the LP Unit Subscription Agreement with Mr. Jiang Zhikang:**

Pursuant to the LP Unit Subscription Agreement with Mr. Jiang Zhikang, after all the conditions of the LP Unit Subscription Agreement set out above are satisfied, the Company will provide Mr. Jiang Zhikang with a written notice setting out the fact that all the conditions have been satisfied, the date and time of completion of the subscription and details of the account designated for direct transfer of the subscription price by Mr. Jiang Zhikang to the Company. At completion, the Limited Partnership shall allot the relevant New Domestic Shares LP Units to Mr. Jiang Zhikang and shall register Mr. Jiang Zhikang as a limited partner of the Limited Partnership in respect of the relevant New Domestic Shares LP Units and the Company shall allot the Subscribed Domestic Shares to the Limited Partnership and shall register the Limited Partnership as member of the Company in respect of the Subscribed Domestic Shares. As Mr. Jiang Zhikang is a connected person, his holdings in the Company will not count towards the public float. Accordingly, the Company will conduct the H Share Placing, which shall take place at the same time or before the issue and allotment of the Subscribed Domestic Shares and the Connected H Share Subscription in order to ensure that the minimum public float requirement is met at all times. The Company undertakes to comply with the minimum public float requirement under the Listing Rules at all times and in case where the Company expects that such requirement could not be complied with upon the issue and allotment of the Subscribed Domestic Shares, the Company would not proceed with the issue and allotment of the Subscribed Domestic Shares.

**Lock-up arrangement:**

Pursuant to the LP Unit Subscription Agreement with Mr. Jiang Zhikang, Mr. Jiang Zhikang undertakes to the Company that, without the prior written consent of the Company, he will not, and, where applicable, will procure that his nominee(s) will not, at any time during the period of 24 months following the date of completion of the subscription by him of the New Domestic Shares LP Units and the issue and allotment of the Subscribed Domestic Shares to

the Limited Partnership by the Company, directly or indirectly, dispose of any of the New Domestic Shares LP Units, the Subscribed Domestic Shares and any shares or other securities of the Company deriving from the Subscribed Domestic Shares, including but not limited to any bonus issue or capitalization issue.

### **Specific Mandates**

The Subscribed Domestic Shares will be issued pursuant to the Specific Mandates to be sought from the Independent Shareholders at the General Meetings. The Specific Mandates, if granted, will be valid for a period of 12 months from the date on which the relevant resolutions approving the Specific Mandates are passed.

### **REASONS FOR AND BENEFITS OF THE PRIVATE PLACEMENT (INCLUDING THE CONNECTED H SHARE SUBSCRIPTION AND THE CONNECTED DOMESTIC SHARE SUBSCRIPTION)**

The Board considers that the adoption of the Proposed Employee Stock Ownership Scheme can further enhance the Company's corporate governance structure, incentivize the Company's management and core personnel team and it is a sound mid- to long-term incentive plan that provides for both incentives and restrictions. The purpose of the Private Placement, which involves, among other things, the Connected H Share Subscription and the Connected Domestic Share Subscription, is to implement the Proposed Employee Stock Ownership Scheme.

The Directors (including the independent non-executive Directors) consider that the Proposed Employee Stock Ownership Scheme is in the interest of the Company and the Shareholders as a whole. As all executive Directors, namely Wen Huiguo, Frank Franciscus Dorjee and all non-executive Directors, namely Ma Jie, Yao Jingming, Philippe Claude Vanhille, Yeung Kwok Ki Anthony, Xiong Xiangfeng and Zheng Huili are entitled to participate in the Proposed Employee Stock Ownership Scheme, they have therefore abstained from voting in the board resolutions approving the Proposed Employee Stock Ownership Scheme and the Private Placement. The independent non-executive Directors will form their views on the Connected H Share Subscription and the Connected Domestic Share Subscription after receiving advice from the independent financial adviser.

## USE OF PROCEEDS FROM THE CONNECTED H SHARE SUBSCRIPTION AND THE CONNECTED DOMESTIC SHARE SUBSCRIPTION

Based on the minimum subscription price for the Subscribed H Shares of HK\$7.15 and the subscription price for the Subscribed Domestic Shares of HK\$7.15, the aggregate gross proceeds from the Private Placement (including the Employee LPs Domestic Share Subscription, the Connected H Share Subscription and the Connected Domestic Share Subscription but excluding the H Share Placing) are expected to be at least HK\$228,714,200. Such proceeds are intended to be utilized by the Company to construct the Phase II project of YOFC Science & Technology Park in Qianjiang to expand the optical fibre preform production capacity of the Company. The Company has only started this project recently and site selection and feasibility study of the project have been completed. It is anticipated that this project will be carried out in three phases and after the completion of the first phase, the Company's optical fibre preform production capacity can increase by 500 tonnes. The implementation of the first phase of the Phase II project of YOFC Science & Technology Park in Qianjiang is expected to commence in October 2015 and the Company intends to apply the proceeds from the Private Placement towards this project as soon as the proceeds are received.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company as at the date of this announcement and immediately after completion of the Private Placement are set out in the table below:

As at the date of this announcement:

Name of Shareholder	Number of Shares held	Percentage of the issued Domestic Shares of the Company	Percentage of the issued H Shares of the Company	Percentage of the total issued Shares of the Company
China Huaxin	179,827,794 Domestic Shares	59.99%	–	28.12%
Draka	179,827,794 H Shares	–	52.94%	28.12%
Yangtze Communications	119,937,010 Domestic Shares	40.01%	–	18.76%
Other public holders of H Shares	159,870,000 H Shares	–	47.06%	25.00%
	<b>639,462,598 Shares</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



Immediately after completion of the Private Placement:

<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>Percentage of the issued Domestic Shares of the Company</b>	<b>Percentage of the issued H Shares of the Company</b>	<b>Percentage of the total issued Shares of the Company</b>
China Huaxin	179,827,794 Domestic Shares	54.40%	–	26.37%
Draka	179,827,794 H Shares	–	51.15%	26.37%
Yangtze Communications	119,937,010 Domestic Shares	36.28%	–	17.58%
H Share Subscribers	1,205,000 H Shares	–	0.34%	0.18%
Limited Partnership (representing holdings of the Connected Domestic Share Subscribers, including Mr. Jiang Zhikang)	14,252,000 Domestic Shares	4.31%	–	2.09%
Other limited partnerships to be established and owned by selected employees under the Proposed Employee Stock Ownership Scheme	15,442,000 Domestic Shares (granted)	4.67%	–	2.26%
	1,089,000 Domestic Shares (in reserve pool)	0.33%	–	0.16%
Other public holders of H Shares	170,534,000 H Shares	–	48.51%	25.00%
	<b>682,114,598 Shares</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## **FUND RAISING IN THE PAST TWELVE MONTHS**

Apart from the issue of H shares of the Company by way of Hong Kong public offering and international offering in late 2014, the Company has not conducted any fund raising activities involving the issue of equity within the 12 months immediately prior to the date of this announcement.

## **LISTING RULES IMPLICATIONS**

The Connected Domestic Share Subscribers include four Directors, namely Mr. Wen Huiguo, Mr. Yao Jingming, Mr. Xiong Xiangfeng and Ms. Zheng Huili, and seven senior management members of the Company, namely Mr. Zhuang Dan, Mr. Jan Bongaerts, Mr. Zhang Mu, Mr. Yan Changkun, Mr. Luo Jie, Mr. Yu Jianwu and Mr. Zhang Yanxiang, who are directors and/or supervisors of the subsidiaries of the Company and a supervisor of the Company, namely Mr. Jiang Zhikang. The Limited Partnership will be wholly and beneficially owned by the Connected Domestic Share Subscribers. The Connected H Share Subscribers, the Connected Domestic Share Subscribers and the Limited Partnership are connected persons of the Company under the Listing Rules and the transactions contemplated under the H Share Subscription Agreements and the LP Unit Subscription Agreements constitute connected transactions of the Company and are subject to the annual reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INFORMATION ON THE COMPANY**

The Company is principally engaged in the manufacture and sales of optical fibre preforms, optical fibres and optical fibre cables with various standard specifications that are widely used in the telecommunications industry and the provision of other related products and services.

## **DESPATCH OF CIRCULAR**

An extraordinary general meeting, as well as an H Share class meeting and a Domestic Share class meeting will be convened to consider and, if thought fit, to approve, among other things, the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription. At the EGM, the H Share Class Meeting and the Domestic Share Class Meeting, the Connected H Share Subscribers, the Connected Domestic Share Subscribers and other eligible senior management and core employees who will participate in the Proposed Employee Stock Ownership Scheme (to the extent any of them hold any interest in any Shares) and their respective associates will be required to abstain from voting on the resolutions to approve the Proposed Employee Stock Ownership Scheme, the Specific Mandates, the Connected H Share Subscription and the Connected Domestic Share Subscription.

A circular containing, among others, details of the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription, a letter from the independent board committee to the Independent Shareholders containing its recommendation, a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders, together with a notice to convene an extraordinary general meeting, an H Share class meeting and a Domestic Share class meeting to approve the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription, will be despatched as soon as practicable and within 15 business days after the publication of this announcement.

**Shareholders and potential investors should note that the Proposed Employee Stock Ownership Scheme and the matters including the Private Placement to be carried out for the purpose of implementing the Proposed Employee Stock Ownership Scheme are subject to approval of Shareholders and certain regulatory approvals and may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“China Huaxin”	China Huaxin Post and Telecommunication Economy Development Center (中國華信郵電經濟開發中心), an entity incorporated in the PRC. It is a substantial shareholder and a connected person of the Company
“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

“Connected Domestic Share Subscribers”	four (4) Directors, namely Mr. Wen Huiguo, Mr. Yao Jingming, Mr. Xiong Xiangfeng and Ms. Zheng Huili, seven (7) senior management members of the Company, namely Mr. Zhuang Dan, Mr. Jan Bongaerts, Mr. Zhang Mu, Mr. Yan Changkun, Mr. Luo Jie, Mr. Yu Jianwu and Mr. Zhang Yanxiang, who are directors and/or supervisors of the subsidiaries of the Company and one (1) supervisor of the Company, namely Mr. Jiang Zhikang
“Connected Domestic Share Subscription”	the proposed subscription of the New Domestic Shares LP Units by the Connected Domestic Share Subscribers and the proposed issue and allotment of Subscribed Domestic Shares by the Company to the Limited Partnership pursuant to the terms of the LP Unit Subscription Agreements
“Connected H Share Subscribers”	Frank Franciscus Dorjee and Yeung Kwok Ki Anthony, both of whom are Directors and therefore connected persons of the Company
“Connected H Share Subscription”	the proposed subscription of the Subscribed H Shares by the two Directors, namely Frank Franciscus Dorjee and Yeung Kwok Ki Anthony, pursuant to the terms of the H Share Subscription Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	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
“Draka”	Draka Comteq B.V., a company incorporated in the Netherlands on May 14, 2004 and wholly-owned by Draka Holding B.V.. It is a substantial shareholder and a connected person of the Company

“EGM”	an extraordinary general meeting of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on October 19, 2015 at 10:00 a.m., or any adjournment thereof, to consider and, if thought fit, approve the Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription
“Employee LPs Domestic Share Subscription”	the proposed subscription of 17,254,000 new Domestic Shares by the limited partnerships to be established and owned by selected employees pursuant to the Proposed Employee Stock Ownership Scheme
“General Mandate”	the general mandate to be obtained at the EGM, pursuant to which the Board shall be authorized to allot or issue not more than 20% of the issued H Shares at the time the special resolution approving the general mandate is passed
“General Meetings”	an EGM, as well as an H Share class meeting and a Domestic Share class meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, Proposed Employee Stock Ownership Scheme, the Private Placement, the General Mandate, the Connected H Share Subscription and the Connected Domestic Share Subscription
“Group”	the Company and its subsidiaries
“H Share Placing”	the proposed placing of a total of not more than 10,664,000 new H Shares to certain institutional investors
“H Share Subscription Agreements”	two (2) subscription agreements separately entered into between each of Frank Franciscus Dorjee and Yeung Kwok Ki Anthony and the Company on July 28, 2015 in relation to the subscription of the Subscribed H Shares in cash by Frank Franciscus Dorjee and Yeung Kwok Ki Anthony under the Private Placement in connection with the Proposed Employee Stock Ownership Scheme

“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
“Independent Shareholders”	has the meaning ascribed to it under the Listing Rules, and in relation to the Company means the Shareholders other than the Connected H Share Subscribers and the Connected Domestic Share Subscribers and their respective associates (to the extent any of them hold any interest in any Shares)
“Limited Partnership”	the limited partnership to be established under the laws of the PRC for the purpose of holding, among others, the Subscribed Domestic Shares
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LP Unit Subscription Agreements”	twelve (12) limited partnership unit subscription agreements separately entered into between each of the Connected Domestic Share Subscribers and the Company on July 28, 2015 and August 29, 2015 in relation to the subscription of the New Domestic Shares LP Units in cash by the Connected Domestic Share Subscribers and the issue and allotment of the Subscribed Domestic Shares to the Limited Partnership under the Private Placement in connection with the Proposed Employee Stock Ownership Scheme
“New Domestic Shares LP Units”	the number of units of the Limited Partnership to be subscribed for by, and to be issued to, the Connected Domestic Share Subscribers, which units shall represent the Connected Domestic Share Subscribers’ entitlement to the Subscribed Domestic Shares subject to the terms of the Proposed Employee Stock Ownership Scheme

“Placing Agreement”	such placing agreement or subscription agreements to be entered into by the Company with a placing agent or directly with placees in relation to the H Share Placing (where more than one such agreement is entered into, they are entered into on the same date)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Private Placement”	the private placement of 30,783,000 new Domestic Shares and 11,869,000 new H Shares to be carried out for the purpose of implementing the Proposed Employee Stock Ownership Scheme and the H Share Placing
“Proposed Employee Stock Ownership Scheme”	Proposed 2015 Core Employees Stock Ownership Scheme of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Specific Mandates”	specific mandates to be sought from the Independent Shareholders at the General Meetings for the allotment and issue of the Subscribed H Shares to the H Share Subscribers and the Subscribed Domestic Shares to the Limited Partnership upon completion of the Connected H Share Subscription and the Connected Domestic Share Subscription, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribed Domestic Shares”	14,252,000 new Domestic Shares in aggregate to be issued and allotted by the Company to the Limited Partnership pursuant to the LP Unit Subscription Agreements

“Subscribed H Shares”	1,205,000 new H Shares in aggregate to be issued and allotted by the Company to the H Share Subscribers pursuant to the H Share Subscription Agreements
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Trading Day”	the day on which the Stock Exchange opens for trading of or dealing in the H Shares
“Yangtze Communications”	Wuhan Yangtze Communications Industry Group Co., Ltd (武漢長江通信產業集團股份有限公司), a company incorporated in the PRC. It is a substantial shareholder and a connected person of the Company

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  
**Wen Huiguo**  
*Chairman*

Wuhan, PRC, August 30, 2015

*As at the date of this announcement, the Board comprises Wen Huiguo and Frank Franciscus Dorjee, as executive Directors; Ma Jie, Yao Jingming, Philippe Claude Vanhille, Yeung Kwok Ki Anthony, 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*