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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)

ANNOUNCEMENT
COMPLETION OF THE PLACING OF NEW H SHARES,
THE CONNECTED H SHARE SUBSCRIPTION AND
THE CONNECTED DOMESTIC SHARE SUBSCRIPTION

The Board is pleased to announce that all the conditions as set out in (1) the Placing Agreement entered into between the Company and the Sole Placing Agent in relation to the Placing; (2) the H Share Subscription Agreements; and (3) the LP Unit Subscription Agreements, respectively, have been satisfied. The Placing, the Connected H Share Subscription and the Connected Domestic Subscription were completed on 18 December 2015 in accordance with the respective terms and conditions of the Placing Agreement, the H Share Subscription Agreements and the LP Unit Subscription Agreements. The Employee LPs Domestic Share Subscription was also completed on 18 December 2015.

Reference is made to the announcements of the Company dated 10 June 2015, 28 July 2015, 30 August 2015, 19 October 2015 and 24 November 2015 and the circular of the Company dated 2 September 2015 in relation to, inter alia, the Employee Stock Ownership Scheme, the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription. Reference is also made to the announcements of the Company dated 10 December 2015 in relation to the Placing and dated 11 December 2015 in relation to the Connected H Share Subscription.

* *For identification purpose only*

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions as set out in (1) the Placing Agreement entered into between the Company and the Sole Placing Agent in relation to the Placing; (2) the H Share Subscription Agreements; and (3) the LP Unit Subscription Agreements, respectively, have been satisfied. The Placing, the Connected H Share Subscription and the Connected Domestic Subscription were completed on 18 December 2015 in accordance with the respective terms and conditions of the Placing Agreement, the H Share Subscription Agreements and the LP Unit Subscription Agreements. The Employee LPs Domestic Share Subscription was also completed on 18 December 2015.

An aggregate of 10,664,000 H Shares, representing approximately 1.56% of the total issued share capital of the Company (as enlarged by the allotment and issue of the Subscribed H Shares, the Subscribed Domestic Shares and the Placing Shares) and approximately 3.03% of the total number of H Shares in issue (as enlarged by the allotment and issue of the Subscribed H Shares and the Placing Shares), have been successfully allotted and issued by the Company on 18 December 2015 at the placing price of HK\$7.15 per H Share to four Placees who are independent professional institutional investors. Pursuant to the Placing Agreement, the Sole Placing Agent is entitled to a commission of 1.5% of the gross proceeds from the Placing, amounting to approximately HK\$1.1 million. The Placing Shares are issued pursuant to the general mandate to issue and allot shares of the Company, which was granted to the Board at the extraordinary general meeting of the Company held on 19 October 2015.

COMPLETION OF THE CONNECTED H SHARE SUBSCRIPTION

An aggregate of 1,205,000 H Shares, representing approximately 0.18% of the total issued share capital of the Company (as enlarged by the allotment and issue of the Subscribed H Shares, the Subscribed Domestic Shares and the Placing Shares) and approximately 0.34% of the total number of H Shares in issue (as enlarged by the allotment and issue of the Subscribed H Shares and the Placing Shares), have been successfully allotted and issued by the Company on 18 December 2015 at the subscription price of HK\$7.15 per H Share to Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony.

COMPLETION OF THE CONNECTED DOMESTIC SHARE SUBSCRIPTION

An aggregate of 30,783,000 Domestic Shares, representing approximately 4.51% of the total issued share capital of the Company (as enlarged by the allotment and issue of the Subscribed H Shares, the Subscribed Domestic Shares and the Placing Shares) and approximately 9.31% of the total number of Domestic Shares in issue (as enlarged by the allotment and issue of the Subscribed Domestic Shares), have been successfully allotted and issued by the Company on 18 December 2015 at the subscription price of HK\$7.15 per Domestic Share to the Limited Partnership and the three other limited partnerships established and owned by selected employees of the Company under the Employee Stock Ownership Scheme.

To the best knowledge, information and belief of the Directors, save for Mr. Frank Franciscus Dorjee, Mr. Yeung Kwok Ki Anthony and the Limited Partnership, all the remaining subscribers, together with their respective ultimate beneficial owners, are third parties independent of the Company and its connected persons. To the best knowledge, information and belief of the Company, the four Placees or their respective beneficial owners are existing H shareholders of the Company but otherwise independent of the Company and its connected persons (as defined in the Listing Rules) and the other Placees. None of the Placees is a substantial shareholder or a connected person of the Company and it is expected that none of the Placees will become a substantial shareholder and/or connected person of the Company immediately after completion of the Placing.

The aggregate gross proceeds, from the Placing amounted to approximately HK\$76.25 million and the aggregate net proceeds, after deduction of the fees, commissions and expenses, amounted to approximately HK\$73.83 million, and such amount will be used to support the development of the business of the Group, in particular for capacity expansion both domestically and overseas, and as general working capital.

The aggregate gross proceeds, from the Connected H Share Subscription and the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription amounted to approximately HK\$228.7 million and the aggregate net proceeds, after deduction of the fees, commissions and expenses, amounted to approximately HK\$228.5 million, and such amount will be used to construct the Phase II project of YOFC Science & Technology Park in Qianjiang to expand the optical fibre preform production capacity of the Company.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As a result of the Placing, the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription, the total share capital of the Company has increased from 639,462,598 Shares to 682,114,598 Shares. The total number of issued H Shares has increased from 339,697,794 H Shares to 351,566,794 H Shares whereas the total number of issued Domestic Shares has increased from 299,764,804 Domestic Shares to 330,547,804 Domestic Shares. Upon completion of the Connected H Share Subscription, the Connected Domestic Share Subscription, the Employee LPs Domestic Share Subscription and the Placing, the shareholding of the major shareholders and the other shareholders of the Company as well as the share capital structure of the Company are as follows:

Name of Shareholders	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	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%
Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony	1,205,000 H Shares	–	0.34%	0.18%
Limited Partnership	14,252,000 Domestic Shares	4.31%	–	2.09%
Other limited partnerships established and owned by selected employees under the Employee Stock Ownership Scheme*	16,531,000 Domestic Shares	5.00%	–	2.42%

Name of Shareholders	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
Prudence Investment Management (Hong Kong) Limited	2,180,000 H Shares	–	0.62%	0.32%
Pine River Capital Management L.P.	14,845,000 H Shares	–	4.22%	2.18%
Swift Mind Investments Limited**	6,007,000 H Shares	–	1.71%	0.88%
Value Partners Group	29,408,500 H Shares	–	8.37%	4.31%
Other public holders of H Shares	118,093,500 H Shares	–	33.59%	17.31%
	682,114,598 Shares	100.00%	100.00%	100.00%

* Number of Domestic Shares includes Domestic Shares that are maintained in reserve pool as well as Domestic Shares that are allocated as granted to selected employees under the Employee Stock Ownership Scheme.

** Number of H Shares includes H Shares held by the parent company of Swift Mind Investments Limited.

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 Subscription”	the subscription of 14,252,000 new Domestic Shares by the Limited Partnership
“Connected H Share Subscription”	the subscription of 1,205,000 new H Shares by the two Directors, namely Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony
“connected person”	has the meaning ascribed to it under the Listing Rules
“Domestic Share(s)”	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 and wholly-owned by Draka Holding B.V.. It is a substantial shareholder and a connected person of the Company.
“Employee LPs Domestic Share Subscription”	the subscription of 16,531,000 new Domestic Shares by the limited partnerships established and owned by selected employees pursuant to the Employee Stock Ownership Scheme

“Group”	the Company and its subsidiaries
“H Share(s)”	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
“H Share Subscription Agreements”	two (2) subscription agreements separately entered into between each of Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony and the Company on 28 July 2015 in relation to the subscription of the Subscribed H Shares in cash by Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony
“HK\$” or “\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Limited Partnership”	Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership (武漢睿圖管理諮詢合夥企業(有限合夥)), the limited partnership established under the laws of the PRC on 4 December 2015, which is wholly and beneficially owned by four Directors and certain senior management members of the Company
“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 Mr. Wen Huiguo, Mr. Yao Jingming, Mr. Xiong Xiangfeng, Ms. Zheng Huili, Mr. Zhuang Dan, Mr. Jan Bongaerts, Mr. Zhang Mu, Mr. Yan Changkun, Mr. Luo Jie, Mr. Yu Jianwu, Mr. Zhang Yanxiang and Mr. Jiang Zhikang and the Company on 28 July 2015 and 29 August 2015 in relation to the subscription of units of the Limited Partnership in cash and the issue and allotment of the Subscribed Domestic Shares to the Limited Partnership

“Placees”	professional institutional investors whom the Sole Placing Agent has procured to subscribe for any of the Placing Shares pursuant to its obligations under the Placing Agreement
“Placing”	the placing by or on behalf of the Sole Placing Agent of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agreement”	the placing agreement dated 10 December 2015 entered into between the Company and the Sole Placing Agent
“Placing Shares”	10,664,000 new H Shares issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Employee Stock Ownership Scheme”	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), the terms of which are set out in the circular of the Company dated 2 September 2015
“RMB”	the lawful currency of the People’s Republic of China
“Share(s)”	the Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Sole Placing Agent”	China International Capital Corporation Hong Kong Securities Limited, being the sole placing agent for the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscribed Domestic Shares”	30,783,000 new Domestic Shares in aggregate issued and allotted by the Company to the Limited Partnership pursuant to the LP Unit Subscription Agreements and to the three other limited partnerships established and owned by selected employees of the Company under the Employee Stock Ownership Scheme
“Subscribed H Shares”	1,205,000 new H Shares in aggregate issued and allotted by the Company to Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony pursuant to the H Share Subscription Agreements
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“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
“%”	per cent

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, 18 December 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.