

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the 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 People's Republic of China with limited liability)

(Stock Code: 6869)

PLACING OF NEW H SHARES UNDER GENERAL MANDATE

Sole Placing Agent



The Board is pleased to announce that on 10 December 2015 (after trading hours), the Company and the Sole Placing Agent entered into the Placing Agreement pursuant to which the Company agreed to issue the Placing Shares, and the Sole Placing Agent agreed, as the agent of the Company, to procure Placees on a best effort basis to subscribe for the Placing Shares at the Placing Price and on the terms and subject to the conditions set out in the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the General Mandate, and will be allotted to four Placees.

* For identification purpose only

The Placing Shares, if fully issued, represent approximately 3.14% and 1.67%, respectively, of the total number of H Shares in issue and the total issued share capital of the Company as at the date of this announcement, and approximately 3.03% and 1.56%, respectively, of the total issued H Shares as enlarged by the Placing Shares and the Subscribed H Shares and the total issued share capital of the Company as enlarged by the issue of the Placing Shares, the Subscribed H Shares and the Subscribed Domestic Shares. The Placing Shares, when issued and fully paid, will rank pari passu in all respects with the existing H Shares in issue on the Closing Date, including the right to receive all dividends declared, made or paid, the record date for which falls on or after the Closing Date. The aggregate nominal value of the Placing Shares to be issued, with a par value of RMB1.00 each, is approximately RMB10.66 million.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$76.25 million and the aggregate net proceeds (after deduction of the fees, commissions and expenses) from the Placing are expected to be approximately HK\$73.83 million. The net proceeds from the Placing are intended to be utilized by the Company 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 Placing Price represents:

- (a) a discount of approximately 15.56% to the average closing price of approximately HK\$8.47 per H Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including 9 December 2015, being the last trading day prior to the date of the Placing Agreement;
- (b) a discount of approximately 14.12% to the average closing price of approximately HK\$8.33 per H Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 9 December 2015, being the last trading day prior to the date of the Placing Agreement; and
- (c) a discount of approximately 16.76% to the closing price of HK\$8.59 per H Share as quoted on the Stock Exchange on 10 December 2015, being the date of the Placing Agreement.

As Completion is subject to the satisfaction of certain conditions precedent and the Sole Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

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 Proposed Employee Stock Ownership Scheme, the General Mandate, the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription. As certain participants of the Proposed Employee Stock Ownership Scheme are connected persons, their holdings in the Company will not count towards the public float. The Company will therefore have to conduct the Placing in order to ensure that the minimum public float requirement is met at all times.

PLACING OF NEW H SHARES

The Board is pleased to announce that on 10 December 2015, the Company and the Sole Placing Agent entered into the Placing Agreement. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date

10 December 2015

Parties

- (1) The Company; and
- (2) The Sole Placing Agent.

Placing Shares

10,664,000 new H Shares of RMB1.00 each in the share capital of the Company will be issued by the Company pursuant to the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares, if fully issued, represent approximately 3.14% and 1.67%, respectively, of the total number of H Shares in issue and the total issued share capital of the Company as at the date of this announcement, and approximately 3.03% and 1.56%, respectively, of the total issued H Shares as enlarged by the Placing Shares and the Subscribed H Shares and the total issued share capital of the Company as enlarged by the issue of the Placing Shares, the Subscribed H Shares and the Subscribed Domestic Shares. The aggregate nominal value of the Placing Shares to be issued, with a par value of RMB1.00 each, is approximately RMB10.66 million.

The Placing

The Company has agreed to issue the Placing Shares, and the Sole Placing Agent has agreed, as the agent of the Company, to procure Placees on a best effort basis to subscribe for the Placing Shares at the Placing Price and on the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate, and will be allotted to four Placees.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sole Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Placees

The Sole Placing Agent will place the Placing Shares at the Placing Price (exclusive of brokerage, the Stock Exchange trading fees and SFC transaction levy as may be payable by the Placees) to four Placees which are independent professional institutional investors on the terms and conditions of the Placing Agreement. 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 the Completion.

None of the Placees (a) has been financed directly or indirectly by any promoter or core connected person of the Company; or (b) is accustomed to taking instructions from any promoter or core connected person of the Company in relation to the acquisition of the Placing Shares; therefore the Placees shall be regarded as public Shareholders.

Description of the four Placees are as follows:–

Prudence Investment Management (Hong Kong) Limited

Prudence Investment Management (Hong Kong) Limited (“Prudence”) was incorporated in Hong Kong in 2008, and a holder of SFC Type 9 Asset Management license. Prudence acts as an investment adviser for institutional and high net worth individuals through multiple investment funds. Prudence is subscribing for the Placing Shares as an agent for and on behalf of certain funds managed or advised by it. Prudence aims to pursue stable income as well as capital appreciation, by investing in listed financial instruments issued by companies with significant business exposure in Greater China.

Number of Placing Shares: 2,133,000

Pine River Capital Management L.P.

Pine River Capital Management L.P., acting as manager for its affiliated funds, is a global alternative asset management firm headquartered in the United States and founded in 2002.

Number of Placing Shares: 1,066,000

Swift Mind Investments Limited

Swift Mind Investments Limited is a company incorporated in British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Shandong Peninsula Ocean Blue Economic Investment Company Limited (“Shandong Peninsula”). Shandong Peninsula is an exempted company incorporated in the Cayman Islands with limited liability in 2010. The principal investment objective of Shandong Peninsula is to achieve long-term capital appreciation by primarily investing globally in both private and public enterprises that have demonstrated the ability to conduct business that is supported by the economies of the Greater China region.

Number of Placing Shares: 5,332,000

Value Partners Group

Value Partners is one of Asia’s largest independent asset management firms that seeks to offer world class investment services and products. Assets under management of the firm increased to US\$15.7 billion as of 31 October 2015. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and the world. In November 2007, Value Partners Group became the first asset management firm listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 806 HK). In addition to its Hong Kong headquarters, the firm operates in Shanghai, Beijing, Taiwan, Singapore and Chengdu. Value Partners manages absolute return long-biased funds, long-short hedge funds, fixed income products, exchange-traded funds, as well as quantitative funds, for institutional and individual clients in Asia Pacific, Europe and the United States.

Number of Placing Shares: 2,133,000

Placing Price

The Placing Price of HK\$7.15 per Placing Share represents:

- (a) a discount of approximately 15.56% to the average closing price of approximately HK\$8.47 per H Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including 9 December 2015, being the last trading day prior to the date of the Placing Agreement;
- (b) a discount of approximately 14.12% to the average closing price of approximately HK\$8.33 per H Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 9 December 2015, being the last trading day prior to the date of the Placing Agreement; and
- (c) a discount of approximately 16.76% to the closing price of HK\$8.59 per H Share as quoted on the Stock Exchange on 10 December 2015, being the date of the Placing Agreement.

The aggregate net proceeds (after deduction of the fees, commissions and expenses) from the Placing are expected to be approximately HK\$73.83 million and the net Placing Price is approximately HK\$6.92 per Placing Share.

The Placing Price has been negotiated and arrived at on an arm's length basis and by reference to a combination of factors including shareholders' interests, global capital market conditions, valuation of comparable companies and prevailing price for the H Shares. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing H Shares in issue on the Closing Date, including the right to receive all dividends declared, made or paid, the record date for which falls on or after the Closing Date.

Lock-up

The Company undertakes to the Sole Placing Agent that for a period from the date of the Placing Agreement up to 180 days after the Closing Date, save for the issue and allotment of H Shares as described in the circular of the Company dated 2 September 2015, neither the Company nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, except for the Placing Shares,

(i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any H Shares or interest in H Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Sole Placing Agent.

Conditions

Completion of the Placing is conditional upon the fulfilment of the following conditions:

- (1) the approval from CSRC for the issue and placing of the Placing Shares being obtained and remaining in full force and effect on the Closing Date, and the delivery to the Sole Placing Agent of a certified true copy of such approval; and
- (2) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares and such approval not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares, and the delivery to the Sole Placing Agent of a copy of such approval.

If the conditions are not fulfilled on or prior to 8:00 a.m. (Hong Kong time) on the Closing Date or such later time as may be agreed between the Company and the Sole Placing Agent, the obligations and liabilities of the Sole Placing Agent and the Company under the Placing shall be null and void and neither the Company nor the Sole Placing Agent shall have any claim against the other for costs, damages, compensation or otherwise. As at the date of this announcement, the Company has already obtained the approval from CSRC.

Termination

If at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (1) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations which in the sole opinion of the Sole Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;
or

- (b) any event, or series of events in the nature of force majeure (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC, the United Kingdom, the European Union or the U.S., or the declaration by Hong Kong, the PRC, the United Kingdom, the European Union or the U.S. of war or a state of emergency or calamity or crisis; or
- (c) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international financial, political, economic, military, industrial, fiscal, currency exchange rates, currency controls or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets) which in the sole opinion of the Sole Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (d) any suspension of dealings in the H Shares during the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Sole Placing Agent may agree in writing) whatsoever (other than as a result of the Placing); or
- (e) any moratorium, suspension or material restriction on trading in shares or securities generally on the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the Stock Exchange, NASDAQ or the New York Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (f) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any director of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action which in the sole opinion of the Sole Placing Agent is or is likely to be materially adverse to the success of the Placing or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (2) (i) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Sole Placing Agent; or (ii) any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertaking untrue or incorrect in any material respect; or (iii) there has been a material breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (3) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement), whether or not arising out of ordinary course of business, which in the sole opinion of the Sole Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

then and in any such case, the Sole Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date.

Completion

Subject to the conditions mentioned above, completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Sole Placing Agent and the Company may agree in writing.

As Completion is subject to the satisfaction of certain conditions precedent and the Sole Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be issued under the General Mandate. Under the General Mandate, the Company is authorised to issue not more than 20% of the H Shares in issue as at 19 October 2015, being the date on which the special resolution approving the General Mandate was passed. As at 19 October 2015, the total issued H Shares of the Company comprised 339,697,794 H Shares. As at the date of this announcement, no H Shares have been issued under the General Mandate and the number of H Shares that may be issued under the General Mandate is 67,939,558. Other than the Placing, the Company has no current intention to issue further H Shares under the General Mandate.

REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$76.25 million and the aggregate net proceeds (after deduction of the fees, commissions and expenses) from the Placing are expected to be approximately HK\$73.83 million. The net proceeds from the Placing are intended to be utilized by the Company 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 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. As certain participants of the Proposed Employee Stock Ownership Scheme are connected persons, their holdings in the Company will not count towards the public float. The Company will therefore have to conduct the Placing in order to ensure that the minimum public float requirement is met at all times. The Directors are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

In order to implement the Proposed Employee Stock Ownership Scheme, the Board proposed the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription, all of which were approved by the Shareholders at the General Meetings held on 19 October 2015. As at the date of this announcement, the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription have not been completed. It is anticipated that the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription will also complete on the Closing Date.

Save as disclosed above and 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.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company as at the date of the Placing Agreement and immediately after completion of the Placing are set out in the table below:

As at the date of the Placing Agreement:

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	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%
Prudence Investment Management (Hong Kong) Limited	47,000 H Shares	–	0.01%	0.01%
Pine River Capital Management L.P.	13,779,000 H Shares	–	4.06%	2.15%
Swift Mind Investments Limited*	675,000 H Shares	–	0.20%	0.11%
Value Partners Group	27,275,500 H Shares	–	8.03%	4.26%
Other public holders of H Shares	118,093,500 H Shares	–	34.76%	18.47%
	639,462,598 Shares	100.00%	100.00%	100.00%

* Relevant H Shares are held by the parent company of Swift Mind Investments Limited.

Immediately after completion of the Placing (assuming the Placing Shares are fully placed, there are no other changes in the share capital of the Company between the date of this announcement and the Closing Date and the Connected H Share Subscription, the Connected Domestic Share Subscription and the Employee LPs Domestic Share Subscription will complete on the Closing Date):

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 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%
Prudence Investment Management (Hong Kong) Limited	2,180,000 H Shares	–	0.62%	0.32%

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

REGULATORY APPROVAL

The Company has obtained the necessary PRC regulatory approval for the Placing, being the approval from CSRC. The Company received the approval for the issuance of the Placing Shares by the CSRC on 24 November 2015.

APPLICATION FOR LISTING

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“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
“Closing Date”	the Business Day after the date on which the conditions to completion of the Placing as set out in the Placing Agreement are fulfilled but in any event no later than 18 December 2015, or such other date as the Company and the Sole Placing Agent may agree in writing
“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
“Completion”	completion of the Placing under the Placing Agreement
“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

“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“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 Proposed Employee Stock Ownership Scheme
“General Mandate”	the general mandate pursuant to which the Board is authorised to allot or issue not more than 20% of the H Shares in issue at the time when the special resolution approving the general mandate was passed at the extraordinary general meeting of the Company held on 19 October 2015
“General Meetings”	the extraordinary general meeting, as well as the H Share class meeting and the Domestic Share class meeting of the Company convened on 19 October 2015, at which meetings, 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 were approved by the Shareholders
“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
“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
“Placees”	professional institutional investors whom the Sole Placing Agent have 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 to be issued by the Company pursuant to the Placing Agreement
“Placing Price”	HK\$7.15 per Placing Share (which excludes any brokerage, SFC transaction levy and Stock Exchange trading fee payable by the Placees)

“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“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), 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
“SFC”	Securities and Futures Commission of Hong Kong
“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 to be issued and allotted by the Company to the Limited Partnership and to the three other limited partnerships established and owned by selected employees of the Company under the Proposed Employee Stock Ownership Scheme
“Subscribed H Shares”	1,205,000 new H Shares in aggregate to be issued and allotted by the Company to Mr. Frank Franciscus Dorjee and Mr. Yeung Kwok Ki Anthony under the Connected H Share Subscription
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“trading days”	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
“%”	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, 10 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.

* *For identification purposes only*