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中國光纖網絡系統集團有限公司
CHINA FIBER OPTIC NETWORK SYSTEM GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3777)

PROFIT WARNING

This announcement is made by China Fiber Optic Network System Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board of Directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, the trading suspension of the Company’s shares leading to unilateral withdrawals of a number of facilities by the banks has caused an abrupt hit on the Group’s operations, and affecting the Group’s normal business development.

The Board also wishes to inform Shareholders that, based on the preliminary review of the unaudited management accounts of the Group as at November 30, 2016 and the progress of operations in the month of December 2016, net profit of the Group for the year ended December 31, 2016 would be significantly lower than that for the year ended December 31, 2015, which are

mainly due to (i) the decreases of domestic and overseas sales, (ii) the decrease in gross profit margin, (iii) the increase in administrative expenses and (iv) provision for bad debts of receivables.

As the Company is still in the process of finalizing its results for the financial year of 2016, the information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited management accounts of the Group up until November 30, 2016, which have not been reviewed or audited by the Company's auditors and are subject to possible adjustments arising from further review. Detailed relevant financial information will be disclosed by the Company in its 2016 annual report to be issued in compliance with laws and rules applicable to it in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Fiber Optic Network System Group Ltd.
Zhao Bing
Chairman

Hong Kong, February 20, 2017

As at the date of this announcement, the executive Directors are Mr. Zhao Bing (Chairman), Mr. Meng Yuxiao, Mr. Deng Xuejun, Mr. Hung, Randy King Kuen and Mr. Xia Ni; and the independent non-executive Directors are Dr. Ma Kwai Yuen, Dr. Lui Pan, Dr. Xu Wanqiang and Prof. Jiang Desheng.