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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)

PROPOSED A SHARE OFFERING

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**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
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PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AND

PROPOSAL IN RELATION TO FUTURE NEW EQUITY FINANCING PLANS

PROPOSED A SHARE OFFERING

Reference is made to the announcement of the Company dated December 23, 2016, where it was announced that, amongst other things, the Company proposed to apply to the CSRC and other relevant regulatory authorities for an initial public offering of A Shares each with a nominal value of RMB1.00 to the qualified investors and a listing of such A Shares on the Shanghai Stock Exchange. With respect to the pricing methodology set out in the plan for the proposed A Share Offering in the announcement of the Company dated December 23, 2016, further details are set out in this announcement.

* For identification purposes only

OTHER PROPOSALS RELATING TO THE A SHARE OFFERING

The Board announces that on December 23, 2016 and March 24, 2017, ancillary proposals relating to and which are essential for the implementation of the proposed A Share Offering were considered and passed, namely, the proposal to authorize the Board to deal with all matters in relation to the A Share Offering; the proposal on the appointment of KPMG Huazhen (Special General Partnership) as the auditor for the A Share Offering and the granting of the authorization to the Board to determine the remuneration of KPMG Huazhen (Special General Partnership); the proposal on the appointment of Commerce & Finance Law Offices as the legal counsel for the A Share Offering and the granting of the authorization to the Board to determine the remuneration of Commerce & Finance Law Offices; the proposal on the use of proceeds from the A Share Offering and the feasibility analysis thereof; the proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties; the proposal on the report on the use of previously raised funds; the proposal on the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares; the proposal on the dividend return plan for shareholders for the three years after the A Share Offering (2017-2019); the proposal on the distribution plan for accumulated profits before the A Share Offering; and the proposal on the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING, PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD, PROPOSED ADOPTION OF THE PROCEDURAL RULES FOR THE BOARD OF SUPERVISORS AND PROPOSED ADOPTION OF OTHER CORPORATE GOVERNANCE RULES FOR THE PURPOSE OF THE PROPOSED A SHARE OFFERING

To optimize the corporate governance structure of the Company in preparation for the A Share Offering, in accordance with the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), as well as other related laws, regulations and regulatory documents, the Company proposed to (i) amend the Articles of Association; (ii) amend, amongst others, the Procedural Rules for the General Meeting and the Procedural Rules for the Board; and (iii) adopt, amongst others, the following corporate governance rules: the Procedural Rules for the Board of Supervisors, the Administrative Measures on the Use of Proceeds, the Administrative Regulations on Related Parties Transactions, the Administrative Measures on the Provision of External

Guarantees, the Administrative Regulations on External Investment, and the Working Rules for Independent Directors. The main proposed amendments to the Articles of Association to be effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange include, inter alia, provisions to reflect the change in the shareholding structure as a result of the proposed A Share Offering and provisions which are mandatory for or relevant to the listing of the A Shares.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As a result of the transfer of Shares among certain holders of the Domestic Shares, the Company's intention to create a senior management member position and the adjustments to the name of the titles of the general manager and the deputy general manager, the Company proposed certain amendments to be made to the Articles of Association with effect from the date on which Shareholders' approval is obtained. The Board announces that on March 24, 2017, the proposed amendments have been approved by the Board.

PROPOSAL IN RELATION TO FUTURE NEW EQUITY FINANCING PLANS

On March 24, 2017, Draka, in its capacity as a shareholder holding 26.37% of the total issued share capital of the Company, submitted to the Board a written proposal in relation to the deliberation and implementation procedures of future new equity financing plans pursuant to Article 64 of the Articles of Association, and requested such proposal be submitted to a general meeting, a Domestic Share class meeting and an H Share class meeting for consideration and approval pursuant to Articles 60(13) and 90 of the existing Articles of Association.

GENERAL

An extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting will be convened to consider and, if thought fit, to approve, among other things, the proposed A Share Offering and certain other proposals relating to the A Share Offering. The proposed amendments to the Articles of Association, the proposed amendments to the Procedural Rules for the General Meeting, the proposed amendments to the Procedural Rules for the Board, the proposed adoption of the Procedural Rules for the Board of Supervisors and the proposed adoption of other corporate governance rules for the purpose of the A Share Offering will also be subject to approval by Shareholders at a general meeting.

The Company will seek approval for, among other things, the proposed amendments to the Articles of Association to be effective from the Effective Date at a general meeting.

The Board has also approved the submission of the proposal made by Draka to a general meeting, a Domestic Share class meeting and an H Share class meeting for consideration and approval by way of a special resolution.

A circular containing, among others, further information regarding various proposed resolutions in relation to the A Share Offering, information regarding the proposed amendments to the Articles of Association with effect from the Effective Date, information regarding the proposal in relation to future new equity financing plans, together with notices to convene general meetings and class meetings of the Shareholders of the Company, are expected to be dispatched to the Shareholders in due course.

1. PROPOSED A SHARE OFFERING

Reference is made to the announcement of the Company dated December 23, 2016, where it was announced that, amongst other things, the Company proposed to apply to the CSRC and other relevant regulatory authorities for an initial public offering of A Shares each with a nominal value of RMB1.00 to the qualified investors and a listing of such A Shares on the Shanghai Stock Exchange. With respect to the pricing methodology set out in the plan for the proposed A Share Offering in the announcement of the Company dated December 23, 2016, further details are set out as follows:

Pricing methodology : The issue price of the A Shares under the A Share Offering will be determined through price consultation with target subscribers offline or other legally permissible methods such as direct pricing by way of negotiations between the Board (as authorized at general meetings of Shareholders) and the lead underwriter(s), taking into account the conditions of the capital markets and the actual conditions of the Company at the time of the issuance.

According to relevant provisions of the Company Law of the People's Republic of China, shares may be issued at a price equal to or in excess of the par value of the shares, but may not be issued below the par value of the shares. As the par value of the A Shares proposed to be issued by the Company under the A Share Offering is RMB1.00, the issue price of the A Shares will not be lower than RMB1.00 per Share. Subject to the aforementioned requirement, no minimum issue price has been set for the proposed A Share Offering.

When determining the actual issue price of the A Shares, the Company will take into consideration the following factors: (i) the Company's financial results; (ii) the average price-to-earnings ratio of other A share listed companies which operate in the same industry as the Company; (iii) market conditions; (iv) the trading price of the H Shares; (v) requirements under relevant laws and regulations; and (vi) rules and policies of relevant regulatory authorities.

In the event that the proposed issue price of the A Shares does not reflect the actual value of the Company or is lower than the trading price of the H Shares, the Board will consider the prevailing market conditions, the actual funding needs and development strategy of the Company at the time, the trading multiples of comparable companies at the time and other relevant factors in order to determine whether or not to proceed with the proposed A Share Offering.

As advised by the PRC legal counsels to the Company, subject to relevant policies and directions on the supervision of state-owned assets, the A Share issue price of the Company may not be less than the latest audited net asset value per Share prior to the A Share Offering; moreover, under the relevant PRC laws and regulations in effect, there is no restriction on the actual issue price of the A Shares to be issued under the A Share Offering, subject to the regulatory opinions which may be provided by the relevant regulatory authorities from time to time during the application process. For reference only, as at December 31, 2016, the audited net asset value per Share of the Company based on the Company's consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards is RMB6.12.

The plan for the proposed A Share Offering has been approved by the Board on December 23, 2016, and shall be submitted to the General Meetings for consideration and approval as special resolutions pursuant to Articles 60(10) and 90 of the existing Articles of Association, Rule 19A.38 of the Listing Rules as well as the other applicable PRC laws and regulations. Each item under the plan for the proposed A Share Offering will be voted individually and is to be approved by way of special resolutions. It should be noted that, the A Share Offering is also subject to the approvals from the CSRC and other relevant regulatory authorities of the PRC. In compliance with the Listing Rules and the applicable PRC laws and regulations, the Company will make further announcement(s) on the proposed A Share Offering as and when appropriate and, in particular, when the detailed terms of the proposed A Share Offering, such as the issue price and issuance size, are finalized.

Please refer to the announcement of the Company dated December 23, 2016 for other information in relation to the plan for the proposed A Share Offering.

The proposed A Share Offering is subject to certain conditions, including but not limited to the market conditions, the Shareholders' approval at the General Meetings, as well as the approvals of the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Company.

2. OTHER PROPOSALS RELATING TO THE A SHARE OFFERING

The following ancillary proposals relating to and which are essential for the implementation of the proposed A Share Offering were considered and passed at the meetings of the Board held on December 23, 2016 and March 24, 2017.

2.1. Proposal to authorize the Board to deal with all matters in relation to the A Share Offering

It is proposed that the Board be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:

- (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;
- (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;

- (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
- (4) adjust the plan for the Investment Projects (as defined below) and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
- (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;
- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
- (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
- (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
- (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock up of relevant shares;
- (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and

- (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering.

Upon the passing of the resolution to grant the aforesaid authorization at general meetings of the Company, it is proposed that the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months from the date of the passing of such resolution at the an extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting.

As set out in the announcement of the Company dated December 23, 2016, this proposal has been approved by the Board on December 23, 2016, and shall be submitted to the General Meetings for consideration and approval by way of special resolutions pursuant to Articles 60(10) and 90 of the existing Articles of Association.

2.2. Proposals on the appointment of intermediaries for the proposed A Share Offering

For the purpose of the A Share Offering, the Company proposed to appoint KPMG Huazhen (Special General Partnership) as the auditor and Commerce & Finance Law Offices as its legal counsel, and that the Board be authorized to determine the remuneration of KPMG Huazhen (Special General Partnership) and Commerce & Finance Law Offices.

As set out in the announcement of the Company dated December 23, 2016, this proposal has been approved by the Board on December 23, 2016, and shall be submitted to a general meeting for consideration and approval by way of an ordinary resolution pursuant to Article 60(11) of the existing Articles of Association.

2.3. Proposal on the use of proceeds from the A Share Offering and the feasibility analysis thereof

It is estimated that the proceeds from the A Share Offering, after deducting offering expenses (the “**Net Proceeds from the A Share Offering**”), will be approximately RMB2,000,000,000, among which (1) RMB1,400,000,000 is proposed to be invested in the Phase II and Phase III capacity expansion projects of Yangtze Optical Fibre (Qianjiang) Co., Ltd. in relation to the industrialization of the self-produced preforms and the optical fibres (the “**Investment Projects**”), (2) RMB300,000,000 is proposed to be used for the repayment of bank loans, and (3) RMB300,000,000 is proposed to be used for the replenishment of working capital. The aforementioned amounts of RMB1,400,000,000, RMB300,000,000 and RMB300,000,000 proposed to be applied to each use represent the full amount of the investment sums required thereunder, respectively.

If the actual Net Proceeds from the A Share Offering are in excess of the investment sums required for the aforementioned uses, the surplus will be used to supplement the working capital of the Company or be used in accordance with relevant regulations of regulatory authorities. If the actual Net Proceeds from the A Share Offering are less than the investment sums required for the aforementioned uses, the Company will meet the shortfall by its own funds or through obtaining bank loans or similar means. Before the proceeds from the A Share Offering are made available to the Company, the Company shall facilitate the implementation of the aforementioned uses by using its own funds or through obtaining bank loans in accordance with the actual progress and capital needs of the respective uses. When the proceeds from the A Share Offering are made available, the proceeds shall be used to replace the Company’s own funds used for the aforementioned investments prior to the A Share Offering or to repay the bank loans obtained, in accordance with the order in which the aforementioned projects are carried out and the Company’s relevant requirements in relation to the management of the use of proceeds. The use of proceeds of the A Share Offering as disclosed in the prospectus to be published in connection with the A Share Offering shall prevail in case of any deviation from the proposed use of proceeds set out above.

A feasibility analysis on the projects involved will be set out in the circular to be despatched to the Shareholders in due course.

This proposal (together with the feasibility analysis) has been approved by the Board on March 24, 2017, and shall be submitted to a general meeting for consideration and approval by way of a special resolution pursuant to Articles 60(1) and 60(10) of the existing Articles of Association.

2.4. Proposal on the dilution of immediate return as a result of the A Share Offering, remedial measures and undertakings by relevant parties

In accordance with the requirements under the relevant PRC laws and regulations, the Company has conducted an analysis of the dilution of immediate return as a result of the A Share Offering and has formulated specific remedial measures on the recovery of return. In addition, in order to ensure the implementation of the remedial measures on the recovery of return, each of the Directors and senior management members are to provide certain undertakings to the Company.

Details of the analysis on the dilution of immediate return as a result of the A Share Offering, the remedial measures and the undertakings by the relevant parties will be set out in the circular to be despatched to the Shareholders in due course.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to each of the General Meetings for consideration and approval by way of special resolutions pursuant to Article 90 of the existing Articles of Association.

2.5. Proposal on the report on the use of previously raised funds

In accordance with the requirements under the relevant PRC laws and regulations, the Company has prepared a report on the use of funds raised from the Private Placement.

The Company completed the Private Placement on December 18, 2015, pursuant to which 11,869,000 H Shares and 30,783,000 Domestic Shares were issued by the Company. The aggregate net proceeds from the Private Placement (after deducting underwriting fees and related offering expenses) amounted to approximately RMB2.51 billion (equivalent to approximately HK\$3.02 billion). The Company confirmed that the actual use of proceeds from the Private Placement were in line with the relevant disclosure in relevant periodic reports and other public disclosure of the Company since the completion of the Private Placement.

Details of the report on the use of such previously raised funds will be set out in the circular to be despatched to the Shareholders in due course.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to a general meeting for consideration and approval by way of an ordinary resolution pursuant to Article 60(1) of the existing Articles of Association.

2.6. Proposal on the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares

In order to stabilize the price of A Shares after the A Share Offering, the Company has formulated the price stabilization plan for the A Shares within the three years from the date on which the A Shares are listed on the Shanghai Stock Exchange in accordance with relevant PRC laws and regulations. The plan sets out, among other things, the conditions triggering the implementation of the price stabilization measures and the specific measures to be taken by each of the Company, the domestic substantial Shareholders holding 5% or more of the Shares prior to the A Share Offering, the Directors (excluding the independent Directors, foreign Directors and Directors who do not receive remuneration from the Company) and the senior management members of the Company (excluding foreign individuals).

Details of the price stabilization plan for the A Shares within the three years after the A Share Offering and listing of the A Shares will be set out in the circular to be despatched to the Shareholders in due course.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to the General Meetings for consideration and approval by way of special resolutions pursuant to Articles 60(8) and 60(10) and 90 of the existing Articles of Association.

2.7. Proposal on the dividend return plan for shareholders for the three years after the A Share Offering (2017-2019)

Pursuant to the development strategies of the Company and in order to enhance the Company's awareness on shareholder returns, to optimize the dividend distribution policy and to improve the effectiveness of the shareholders communication mechanism of the Company, the Company has formulated the dividend return plan for the three years after the A Share Offering in accordance with relevant PRC laws and regulations, normative documents, the Articles of Association and other corporate governance rules of the Company. The plan sets out (i) the factors considered when formulating the dividend return plan; (ii) the principles followed when formulating the dividend return plan; (iii) details of the dividend return plan for the three years after the A Share Offering; (iv) decision-making mechanism of the dividend return plan; and (v) effective date of the dividend return plan.

Details of the dividend return plan for shareholders for the three years after the A Share Offering will be set out in the circular to be despatched to the Shareholders in due course.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to the a general meeting for consideration and approval by way of a special resolution pursuant to Article 60(7) of the existing Articles of Association.

2.8. Proposal on the distribution plan for accumulated profits before the A Share Offering

Prior to the completion of the A Share Offering, the Company may distribute profits in accordance with a profit distribution plan formulated by the Board and approved at a general meeting of the Company. After the completion of the A Share Offering, the accumulated undistributed profits of the Company before the A Share Offering shall be shared among all the new and existing Shareholders in proportion to their respective shareholdings.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to each of the General Meetings for consideration and approval by way of special resolutions pursuant to Articles 60(7) and 90 of the existing Articles of Association.

2.9. Proposal on the relevant undertakings to be included in the prospectus in connection with the A Share Offering and the relevant restrictive measures

In accordance with the requirements under the relevant PRC laws and regulations, the Company and such responsible persons or entities including the domestic substantial Shareholders, the Directors, the Supervisors and the senior management members of the Company propose to make, among other things, certain undertakings in the prospectus to be published in connection with the A Share Offering.

The Company and such responsible persons or entities including the domestic substantial Shareholders who hold 5% or more of the Shares prior to the A Share Offering, the Directors, the Supervisors and the senior management members of the Company shall publicly undertake in the public offering and listing documents that: *“If any statement contained in the prospectus of the issuer is false or misleading, or if any material information has been omitted, which results in losses suffered by the investors when dealing in the A Shares, investors shall be compensated in accordance with the relevant laws of the PRC.”*

The Company and such responsible persons or entities including the domestic substantial Shareholders who hold 5% or more of the Shares prior to the A Share Offering, the Directors, the Supervisors and the senior management members of the Company providing such undertaking agree to be bound by certain restrictive measures in the case where they fail to fulfill any of the undertakings, which measures shall be disclosed in the public offering and listing documents, under the scrutiny of the public.

In accordance with the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of the IPO System (《關於進一步推進新股發行體制改革的意見》) promulgated by the CSRC, the Company will provide relevant undertakings in relation to the authenticity, accuracy and completeness of the information disclosed in the prospectus to be published in connection with the A Share Offering, and the restrictive measures related thereto.

Forms of the undertaking letters regarding (1) the authenticity, accuracy and completeness of the information disclosed in the prospectus to be published in connection with the proposed A Share Offering and (2) the relevant restrictive measures proposed by responsible parties will be set out in the circular to be despatched to the Shareholders in due course.

It is proposed that the Board be authorized by the general meeting, and the chairman of the Board and the president of the Company be further authorized by the Board to, either acting together or individually, make adjustments to or revise the contents of the undertaking letters in accordance with any change in PRC or overseas laws, regulations and other normative documents, and requirements or suggestions of relevant government departments or regulatory authorities.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to each of the General Meetings for consideration and approval by way of special resolutions pursuant to Articles 60(8), 60(10) and 90 of the existing Articles of Association.

3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING AND THE PROCEDURAL RULES FOR THE BOARD, PROPOSED ADOPTION OF THE PROCEDURAL RULES FOR THE BOARD OF SUPERVISORS AND PROPOSED ADOPTION OF OTHER CORPORATE GOVERNANCE RULES FOR THE PURPOSE OF THE PROPOSED A SHARE OFFERING

To optimize the corporate governance structure of the Company in preparation for the A Share Offering, in accordance with the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), as well as other related laws, regulations and regulatory documents, the Company proposed to (i) amend the Articles of Association; (ii) amend, amongst others, the Procedural Rules for the General Meeting and the Procedural Rules for the Board; and (iii) adopt, amongst others, the following corporate governance rules: the Procedural Rules for the Board of Supervisors, the Administrative Measures on the Use of Proceeds, the Administrative Regulations on Related Parties Transactions, the Administrative Measures on the Provision of External Guarantees, the Administrative Regulations on External Investment, and the Working Rules for Independent Directors.

The proposed amendments to the Articles of Association are intended to improve and enhance the corporate governance of the Company and to ensure compliance by the Company with the relevant laws and regulations of the PRC and the listing rules of the Shanghai Stock Exchange. The main proposed amendments to the Articles of Association to be effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange include, inter alia, provisions to reflect the change in the shareholding structure as a result of the proposed A Share Offering and provisions which are mandatory for or relevant to the listing of the A Shares. Upon completion of the A Share Offering, the actual number A Shares issued will be known and the shareholding structure of the Company will change as a result of the A Shares issued under the A Share Offering. Such changes will have to be reflected in the Articles of Association, and cannot be ascertained unless and until the A Share Offering has been completed. The Board will, pursuant to the authorization granted by the Shareholders at the General Meetings, fill in the relevant information in Article 19 and Article 22 after the completion of the A Share Offering.

The proposed amendments to the Articles of Association, the Procedural Rules for the General Meeting and the Procedural Rules for the Board will be set out in the circular to be despatched to the Shareholders in due course. The Procedural Rules for the Board of Supervisors and other corporate governance rules proposed to be adopted including the Administrative Measures on the Use of Proceeds, the Administrative Regulations on

Related Parties Transactions, the Administrative Measures on the Provision of External Guarantees, the Administrative Regulations on External Investment and the Working Rules for Independent Directors will also be set out in the circular to be despatched to the Shareholders in due course.

Such proposals have been approved by the Board or the Board of Supervisors (as the case may be) on March 24, 2017. The proposed amendments to the Articles of Association are subject to approval by Shareholders at a general meeting by way of a special resolution pursuant to Article 60(12) of the existing Articles of Association and approval by relevant authorities in the PRC, and will be effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange. Prior to that, the Articles of Association to be effective from the Effective Date shall remain in force (assuming that the proposed amendments have been approved by Shareholders). The proposed amendments to Procedural Rules for the General Meeting, the proposed amendments to Procedural Rules for the Board, and the proposed adoption of the Procedural Rules for the Board of Supervisors are subject to approval by Shareholders at a general meeting by way of special resolutions pursuant to Article 60(12) of the existing Articles of Association and will be effective from the date of the passing of the relevant resolutions, save for the specific provisions in relation to the A Share Offering (which shall become effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange). The Administrative Measures on the Use of Proceeds, the Administrative Regulations on Related Parties Transactions, the Administrative Measures on the Provision of External Guarantees, the Administrative Regulations on External Investment, and the Working Rules for Independent Directors are subject to approval by Shareholders at a general meeting by way of ordinary resolutions because the matters to be governed by these Administrative Measures, Administrative Regulations and Working Rules are within the scope of functions and powers of the shareholders' meetings as provided under Article 60 of the existing Articles of Association. These Administrative Measures, Administrative Regulations and Working Rules will be effective from the date of the passing of the relevant resolutions, save for the specific provisions in relation to the A Share Offering (which shall become effective from the date when the A Shares are listed and traded on the Shanghai Stock Exchange).

In addition, the Administrative Measures and the Administrative Regulations also provide that if there are any matters in these Administrative Measures and Administrative Regulations which are inconsistent with applicable PRC laws, regulations, the Articles of Association, the listing rules of the place where the shares of the Company are listed, such applicable laws, regulations, the Articles of Association or the listing rules of the place where the shares of the Company are listed shall prevail.

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

As a result of the transfer of Shares among certain holders of the Domestic Shares, the Company's intention to create a senior management member position and the adjustments to the name of the titles of the general manager and the deputy general manager, the Company proposed certain amendments to be made to the Articles of Association with effect from the date on which Shareholders' approval is obtained. The proposed amendments are to reflect:

- (i) The change in the shareholdings of Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿騰管理諮詢合夥企業(有限合夥)) (“**Wuhan Ruiteng**”), Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿圖管理諮詢合夥企業(有限合夥)) (“**Wuhan Ruitu**”) and Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿越管理諮詢合夥企業(有限合夥)) (“**Wuhan Ruiyue**”) as a result of the equity transfer by Wuhan Ruiteng of 1,648,000 Domestic Shares and 25,000 Domestic Shares to Wuhan Ruitu and Wuhan Ruiyue respectively. Accordingly, the Company proposes to amend Article 19 of the Articles of Association in relation to the number of Shares held by Shareholders and their shareholding percentages after such transfer.
- (ii) The addition of a chief human resources officer as a senior management member of the Company by virtue of the Company's internal governance needs. The Company therefore proposes to amend Article 104, Article 116, Article 117 and Article 189 of the Articles of Association accordingly.
- (iii) The adjustment of the name of the titles of general manager and deputy general manger to president and deputy president respectively. Thus, the Company proposes to amend the Articles which mention such titles accordingly.

Details of the proposed amendments to the existing Articles of Association will be set out in the circular to be despatched to the Shareholders in due course.

This proposal has been approved by the Board on March 24, 2017, and shall be submitted to a general meeting for consideration and approval by way of a special resolution pursuant to Article 60(12) of the existing Articles of Association.

5. PROPOSAL IN RELATION TO FUTURE NEW EQUITY FINANCING PLANS

On March 24, 2017, Draka, in its capacity as a shareholder holding 26.37% of the total issued share capital of the Company, submitted to the Board a written proposal in relation to the deliberation and implementation procedures of future new equity financing plans pursuant to Article 64 of the Articles of Association, and requested such proposal be submitted to a general meeting, a Domestic Share class meeting and an H Share class meeting for consideration and approval pursuant to Articles 60(13) and 90 of the existing Articles of Association.

With a view to ensuring the participation rights of all Shareholders and allowing them to fully voice their opinions in relation to future new equity financing plans, it is proposed that any new equity financing plans will only be implemented after such plans have been considered and approved at a general meeting, a Domestic Share class meeting and an H Share class meeting via special resolution adopted by way of poll; and that the Company will not consider conducting in the future new issuance(s) of such number of Domestic Shares not exceeding 20% of the issued Domestic Shares or such number of H Shares not exceeding 20% of the issued H Shares once every 12 months upon approval by a special resolution at a general meeting (a “**general mandate**”), or consider proposing a general mandate to issue and allot any new Shares to a general meeting for approval in the future.

6. GENERAL

An extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting will be convened to consider and, if thought fit, to approve, among other things, the proposed A Share Offering and certain other proposals relating to the A Share Offering. The proposed amendments to the Articles of Association, the proposed amendments to the Procedural Rules for the General Meeting, the proposed amendments to the Procedural Rules for the Board, the proposed adoption of the Procedural Rules for the Board of Supervisors and the proposed adoption of other corporate governance rules for the purpose of the A Share Offering will also be subject to approval by Shareholders at a general meeting.

The Company will seek approval for, among other things, the proposed amendments to the Articles of Association to be effective from the Effective Date at a general meeting.

The Board has also approved the submission of the proposal made by Draka to each of a general meeting, a Domestic Share class meeting and an H Share class meeting for consideration and approval by way of a special resolution.

A circular containing, among others, further information regarding various proposed resolutions in relation to the A Share Offering, information regarding the proposed amendments to the Articles of Association with effect from the Effective Date, information regarding the proposal in relation to future new equity financing, together with notices to convene general meetings and class meetings of the Company, are expected to be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“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
“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
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors 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 persons”	has the meaning ascribed thereto in the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“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
“Draka”	Draka Comteq B.V., a company incorporated in the Netherlands on May 14, 2004 and wholly-owned by Draka Holding B.V. and a shareholder holding 26.37% of the total issued share capital of the Company as at the date of this announcement
“Effective Date”	the date on which approval by the Shareholders is obtained in respect of the proposed amendments to the Articles of Association set out in “4. Proposed Amendments to the Articles of Association” above at a general meeting of the Company
“ESOP”	the 2015 Core Employee Stock Ownership Scheme of the Company approved on October 19, 2015
“General Meetings”	an extraordinary general meeting, 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 the proposed A Share Offering and the related proposals
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“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
“Procedural Rules for the General Meeting”	Rules of Procedures for the General Meeting of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Procedural Rules for the Board”	Rules of Procedures for the Board of Directors of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Procedural Rules for the Board of Supervisors”	Rules of Procedures for the Board of Supervisors of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Private Placement”	the private placement of 30,783,000 new Domestic Shares and 1,205,000 new H Shares for the purpose of implementing the ESOP and the placing of 10,664,000 new H Shares to independent institutional investors
“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
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Supervisor(s)”	the supervisors 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
Ma Jie
Chairman

Wuhan, PRC, March 24, 2017

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.

* For identification purposes only