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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)

UPDATE ON THE STATUS OF DISCLOSEABLE TRANSACTIONS IN RELATION TO PROPOSED INVESTMENT IN SEMICONDUCTOR BUSINESS

Reference is made to the announcement of Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”) dated 9 March 2022 in relation to the formation of the Consortium under the Joint Investment Agreement and the Company’s proposed investment in semiconductor business (the “**Announcement**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Company has received confirmation letters from the Anhui Changjiang Equity Exchange dated 10 March 2022, which confirmed that the Consortium has been selected as the successful bidder for the Equity Transfer Transactions at an aggregate tender price of RMB1,429,672,792. The aggregate amount payable by the Company and Wuhan Ruixin under the Equity Transfer Transactions will be RMB779,672,862.

No formal transfer or capital injection agreement in relation to the Equity Transfer Transactions has been entered into by the Group as at the date of this announcement. As the entering into of the Equity Transfer Transactions will be subject to the relevant procedures of the Anhui Changjiang Equity Exchange and approvals from the relevant authorities, the Equity Transfer Transactions may or may not be entered into. There is no assurance that the Equity Transfer Transactions will take place or as to when it may take place.

As Tus Semiconductor is still at the initial stage of R&D and manufacture of third generation semiconductors, a large amount of capital and human resources is required. If Tus Semiconductor's future R&D results are not satisfactory or if its products do not meet the market needs, the recovery of initial investment and materialization of expected benefits of the Company may be affected. The market of third generation semiconductors has not been formed, Tus Semiconductor and THZ Engineering Centre do not have bulk sales as at the date of this announcement, hence there are uncertainties in the development of both customers and product sales in the future. In the event that a qualified listing of Tus Semiconductor has not occurred on or prior to the fifth anniversary of the Completion, the Relevant Consortium Members shall have the right to request Tus Semiconductor to repurchase any or all of their equity interests in Tus Semiconductor. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares or any other securities 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, 11 March 2022

As at the date of this announcement, the Board comprises Mr. Zhuang Dan as executive director; Mr. Ma Jie, Mr. Philippe Claude Vanhille, Mr. Guo Tao, Mr. Pier Francesco Facchini, Mr. Frank Franciscus Dorjee, Mr. Xiong Xiangfeng and Ms. Lai Zhimin, as non-executive directors; Mr. Bingsheng Teng, Mr. Liu Deming, Mr. Song Wei and Dr. Wong Tin Yau, Kelvin, as independent non-executive directors.

* For identification purposes only