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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)

DISCLOSEABLE TRANSACTION ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

The Board is pleased to announce that the Company has acquired on the open market during the Relevant Period a total of 3,150,000 Broadex Shares for an aggregate consideration of approximately RMB51.86 million (excluding transaction costs).

LISTING RULES IMPLICATIONS

Reference is made to the announcements of the Company dated April 7, 2022 and May 27, 2022 in relation to the Previous Acquisition.

The Acquisitions, on a standalone basis, do not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As all the applicable percentage ratios in respect of the Acquisitions (as aggregated with the Previous Acquisition) exceed 5% but all are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITIONS

The Board is pleased to announce that the Company has acquired on the open market during the Relevant Period a total of 3,150,000 Broadex Shares for an aggregate consideration of approximately RMB51.86 million (excluding transaction costs), which was financed by the Group's internal resources. The average price (excluding transaction costs) for each of the Acquired Share was approximately RMB16.46. The Acquired Shares represent approximately 1.20% of the total share capital of Broadex as at the date of this announcement.

* *For identification purposes only*

As disclosed in the Company's announcements dated April 7, 2022 and May 27, 2022, based on the then total share capital of Broadex, following the completion of the Previous Acquisition, the Company held an aggregate of approximately 11.59% of the equity interest of Broadex, and together with the entrustment of approximately 12.71% of the voting rights of Broadex under the Voting Right Entrustment Agreement, the Company controlled approximately 24.30% of the voting rights of Broadex.

Following the Acquisitions, based on the total share capital of Broadex as at the date of this announcement, the Company holds an aggregate of approximately 12.75% of the equity interest of Broadex, and together with the entrustment of the voting rights of 33,165,558 Broadex Shares under the Voting Right Entrustment Agreement (representing approximately 12.67% of the total share capital of Broadex as at the date of this announcement), the Company controls approximately 25.43% of the voting rights of Broadex (being the shareholder with control over the largest voting rights of Broadex) as at the date of this announcement. The Company also has the right to control the composition of a majority of the board of directors of Broadex. Accordingly, Broadex will continue to be a non wholly-owned subsidiary of the Company and the financial results of Broadex will be consolidated into the Company's consolidated financial statements following the Acquisitions.

As the Acquisitions were conducted on the open market, the identities of the seller(s) of the Acquired Shares cannot be ascertained. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the seller(s) of the Acquired Shares and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

INFORMATION ON BROADEX

Broadex is a company listed on the Shenzhen Stock Exchange (stock code 300548). It was founded on August 7, 2003 in the PRC and is principally engaged in the design, manufacture and sale of integrated optoelectronic components in the field of fiber optical communications.

The following financial information is extracted from the annual reports of Broadex for the two financial years ended 31 December 2021:

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,154,137	776,704
Net profit before taxation	183,664	97,525
Net profit after taxation	162,410	88,459

Based on the quarterly report of Broadex for the three months ended March 31, 2022, the unaudited consolidated net asset value of Broadex was approximately RMB1,567,814,371 as at March 31, 2022.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company is one of the leading optical fibre preform, optical fibre and optical fibre cable suppliers in the world. The Group is principally engaged in the manufacture and sales of optical fibre preforms, optical fibres and optical fibre cables with various standard specifications that are widely used in the telecommunications industry and the provision of other related products and services.

Broadex focuses on the large-scale application of integrated optoelectronic devices, and provides optical passive and active devices for telecommunications transmission networks, access networks and data communications. It has a number of independently developed core technologies, and has established a packaging technology platform for planar optical waveguide (PLC), micro-opto-electromechanical (MEMS), silicon photonics and high-speed active modules, which provides high-quality key devices for communication equipment manufacturers, telecommunications and Internet operators.

The Company is optimistic about the future development of Broadex and believes that it has long-term investment value. The Acquisitions is consistent with the Company's strategy to continue the promotion of business synergies of the Company and Broadex through expansion of the overall scale of the optical device business, provision of more product packages and complete solutions by leveraging on the sales network of both parties, and integration of procurement channels to improve bargaining power.

As the Acquisitions were made at market price and on the open market, the Directors are of the view that the terms of the Acquisitions are fair and reasonable on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

“Acquired Share(s)”	a total of 3,150,000 Broadex Shares acquired by the Company on the open market during the Relevant Period
“Acquisitions”	acquisitions by the Company on the open market of the Acquired Shares for an aggregate consideration of approximately RMB51.86 million (exclusive of transaction costs)
“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi and listed on the Shanghai Stock Exchange (Stock Code: 601869)
“Board”	the board of directors of the Company
“Broadex”	Broadex Technologies Co., Ltd.* (博創科技股份有限公司) (stock code: 300548), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange
“Broadex Share(s)”	share(s) of par value RMB1.00 each in the share capital of Broadex
“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 A Shares and H Shares of which are listed on Shanghai Stock Exchange and the Main Board of the Stock Exchange, respectively
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected with its connected persons (as defined under the Listing Rules)
“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

“Previous Acquisition”	the acquisition of the equity interest in Broadex by the Company and the entrustment of voting rights in Broadex as disclosed in the announcements of the Company dated April 7, 2022 and May 27, 2022
“Relevant Period”	the period from April 14, 2022 to July 15, 2022 (both dates inclusive)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Share(s)”	A Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Voting Right Entrustment Agreement”	the voting right entrustment agreement entered into between Mr. Zhu Wei and the Company as disclosed in the announcements of the Company dated April 7, 2022 and May 27, 2022
“%”	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
Ma Jie
Chairman

Wuhan, PRC, July 15, 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.

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