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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 TRANSACTIONS DEEMED DISPOSAL OF EQUITY INTEREST IN YOFC ADVANCED SEMICONDUCTOR

THE SERIES A CAPITAL INCREASE AGREEMENT AND THE SERIES A EQUITY TRANSFER AGREEMENTS

The Board announces that, on June 26, 2023, the Company entered into the Series A Capital Increase Agreement with YOFC Advanced Semiconductor, the Series A Investors, the Pre-Series A Investors and the Other Existing Shareholders, pursuant to which the Company and the Series A Investors proposed to make a capital contribution of an aggregate of RMB3,244,000,000 in cash to the registered capital of YOFC Advanced Semiconductor (in which the Company proposed to make capital contribution of RMB281,000,000 in cash). The Company, the Series A Investors, the Pre-Series A Investors, the Other Existing Shareholders and YOFC Advanced Semiconductor also entered into the Series A Shareholders' Agreement on June 26, 2023 to govern their respective rights as a shareholder of YOFC Advanced Semiconductor.

On the same date, the Company entered into (i) the Wuhu Haiwo Equity Transfer Agreement with Wuhu Haiwo, pursuant to which Wuhu Haiwo agreed to sell and the Company agreed to purchase the entire equity interest of Wuhu Haiwo in YOFC Advanced Semiconductor at a proposed consideration of RMB154,441,600, and (ii) the Wuhu Zewan No. 2 Equity Transfer Agreement with Wuhu Zewan No. 2, pursuant to which Wuhu Zewan No. 2 agreed to sell and the Company agreed to purchase the entire equity interest of Wuhu Zewan No. 2 in YOFC Advanced Semiconductor at a proposed consideration of RMB64,350,700.

Upon completion of the Series A Equity Transactions, the equity interest in YOFC Advanced Semiconductor directly owned by the Company will be diluted to 22.9008% of the enlarged share capital of YOFC Advanced Semiconductor. The Company will no longer be entitled to nominate the majority of the board of directors of YOFC Advanced Semiconductor, hence the Company will lose control over the board composition of YOFC Advanced Semiconductor. As such, subject to the applicable accounting standards, YOFC Advanced Semiconductor will then cease to be a subsidiary of the Company and be deemed as deconsolidated from the consolidated financial statements of the Group and be reclassified as a joint venture of the Company. The Group is expected to record a gain of approximately RMB35,000,000 to RMB50,000,000 on the deemed disposal of its partial equity interest in YOFC Advanced Semiconductor arising from the Series A Equity Transactions due to the change in accounting method, subject to the annual audit report to be issued by the independent auditors of the Company.

LISTING RULES IMPLICATIONS

The dilution of the Company's equity interest in YOFC Advanced Semiconductor to 22.9008% will constitute a deemed disposal of interest in YOFC Advanced Semiconductor under Rule 14.29 of the Listing Rules.

As the Series A Capital Increase Agreement, the Wuhu Haiwo Equity Transfer Agreement and the Wuhu Zewan No. 2 Equity Transfer Agreement were entered into on the same day and the transactions contemplated thereunder involve the acquisition of equity interest in one particular company, the Series A Capital Increase, the Wuhu Haiwo Equity Transfer Transaction and the Wuhu Zewan No. 2 Equity Transfer Transaction shall be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. Since the highest relevant percentage ratios under the Listing Rules in respect of the Series A Capital Increase and the Series A Equity Transfer Transactions, as aggregated, is expected to exceed 5% but is less than 25%, the Series A Capital Increase and the Series A Equity Transfer Transactions constitute discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Series A Equity Transactions do not constitute material assets reorganizations under the Administrative Measures for the Material Assets Reorganizations of Listed Companies promulgated by China Securities Regulatory Commission.

As the completion of the Series A Capital Increase and the Series A Equity Transfer Transactions will be subject to the registration with the relevant authorities, there is no assurance that the completion of the Series A Capital Increase and the Series A Equity Transfer Transactions will take place or as to when it may take place.

As YOFC Advanced 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 YOFC Advanced 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, YOFC Advanced Semiconductor does 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. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares or any other securities of the Company.

BACKGROUND

We refer to the announcement of the Company dated March 9, 2022 and March 11, 2022 in respect of the formation of the Consortium under the Joint Investment Agreement and the Company's proposed investment in YOFC Advanced Semiconductor. Unless otherwise stated, capitalized terms used herein have the same meanings as those defined in the Announcements.

THE SERIES A CAPITAL INCREASE AGREEMENT AND THE SERIES A EQUITY TRANSFER AGREEMENTS

The Board announces that, on June 26, 2023, the Company entered into the Series A Capital Increase Agreement with YOFC Advanced Semiconductor, the Series A Investors, the Pre-Series A Investors and the Other Existing Shareholders, pursuant to which the Company and the Series A Investors proposed to make a capital contribution of an aggregate of RMB3,244,000,000 in cash to the registered capital of YOFC Advanced Semiconductor (in which the Company proposed to make a capital contribution of RMB281,000,000 in cash).

On the same date, the Company entered into (i) the Wuhu Haiwo Equity Transfer Agreement with Wuhu Haiwo, pursuant to which Wuhu Haiwo agreed to sell and the Company agreed to purchase the entire equity interest of Wuhu Haiwo in YOFC Advanced Semiconductor at a proposed consideration of RMB154,441,600, and (ii) the Wuhu Zewan No. 2 Equity Transfer Agreement with Wuhu Zewan No. 2, pursuant to which Wuhu Zewan No. 2 agreed to sell and the Company agreed to purchase the entire equity interest of Wuhu Zewan No. 2 in YOFC Advanced Semiconductor at a proposed consideration of RMB64,350,700.

The Principal Terms of the Series A Capital Increase Agreement

Date

June 26, 2023

Parties

- (1) The Company;
- (2) YOFC Advanced Semiconductor;
- (3) Optics Valley Industry Development Fund;
- (4) CNBM New Materials Fund;
- (5) Jiaxing Guoping;
- (6) Fuzhe Fuchuang;
- (7) Fuzhe Zitong;
- (8) CICC SAIC;
- (9) YOFC Science & Innovation Fund;

- (10) CICC Ruiwei;
- (11) Wanneng Haitong;
- (12) Luxin Venture Capital;
- (13) Founder Hesheng;
- (14) Dongfeng Asset;
- (15) Anhua Innovation;
- (16) Jianxin Trust;
- (17) CICC Zhixing;
- (18) Huiyuan New Energy;
- (19) Guokong Shiyue;
- (20) Haijin New Energy;
- (21) Zhonghu Zhiyun;
- (22) Baoyue Qicheng;
- (23) Shiyue Qianyuan;
- (24) CICC Qihe;
- (25) Tianchang Guoyuan Transformation and Upgrading Fund;
- (26) Jinhua Haitong;
- (27) Tianxing Tongxin;
- (28) Yunlang Xiutong;
- (29) Shandong High and New Technology Venture Capital;
- (30) Guoyuan Seed Fund;
- (31) Guoyuan Innovation;
- (32) The Series A Investors; and
- (33) The Other Existing Shareholders.

Purpose of the Series A Capital Increase

YOFC Advanced Semiconductor proposed to raise a total of approximately RMB6 billion through debt financing and equity financing (through the Series A Capital Increase) for the construction of third-generation semiconductor epitaxy, wafer fabrication and packaging production line with an annual production capacity of 360,000 6-inch silicon carbide wafers and 61,000,000 power device modules (the “**Third-Generation Semiconductor Power Device Production Project**”). The Third-Generation Semiconductor Power Device Production Project is expected to be developed in the East Lake New Technology Development Zone in Wuhan, Hubei Province. YOFC Advanced Semiconductor also planned to build a third-generation semiconductor technology innovation center to advance the research and development on the advanced technology of third-generation semiconductor devices, as well as to keep abreast of the latest international frontier of technology on third-generation semiconductor devices for further technological improvement.

Pursuant to the Series A Capital Increase Agreement, YOFC Advanced Semiconductor should use the entire amount raised from the Series A Capital Increase for funding its business operations, such as supplementing working capital, acquisition of assets, staff recruitment and research and development expenses, including but not limited to the development of the Third-Generation Semiconductor Power Device Production Project, procurement of equipment for the Wuhu development base and other purposes as agreed in writing by the Company and the Series A Investors.

The Series A Capital Increase and the Proposed Capital Contribution

The following sets out the respective portion of the enlarged share capital of YOFC Advanced Semiconductor to be subscribed and the respective capital contribution payable by each of the Company and the Series A Investors under the Series A Capital Increase Agreement:

	Enlarged share capital of YOFC Advanced Semiconductor to be subscribed RMB	Capital contribution RMB
Optics Valley Industry Development Fund	22,005,382	500,000,000
CNBM New Materials Fund	13,203,229	300,000,000
Jiaxing Guoping	13,203,229	300,000,000
The Company	12,367,025	281,000,000
Fuzhe Fuchuang	8,802,153	200,000,000
Fuzhe Zitong	6,601,614	150,000,000
CICC SAIC	6,601,614	150,000,000
YOFC Science & Innovation Fund	4,401,076	100,000,000
CICC Ruiwei	4,401,076	100,000,000
Wanneng Haitong	4,401,076	100,000,000
Luxin Venture Capital	4,401,076	100,000,000
Founder Hesheng	4,401,076	100,000,000
Dongfeng Asset	4,401,076	100,000,000
Anhua Innovation	4,401,076	100,000,000
Jianxin Trust	4,401,076	100,000,000
CICC Zhixing	2,640,645	60,000,000

	Enlarged share capital of YOFC Advanced Semiconductor to be subscribed RMB	Capital contribution RMB
Huiyuan New Energy	2,640,645	60,000,000
Guokong Shiyue	2,640,645	60,000,000
Haijin New Energy	2,200,538	50,000,000
Zhonghu Zhiyun	2,200,538	50,000,000
Baoyue Qicheng	2,200,538	50,000,000
Shiyue Qianyuan	1,760,430	40,000,000
CICC Qihe	1,320,322	30,000,000
Tianchang Guoyuan Transformation and Upgrading Fund	1,320,322	30,000,000
Jinhua Haitong	1,100,269	25,000,000
Tianxing Tongxin	1,100,269	25,000,000
Yunlang Xiutong	1,012,247	23,000,000
Shandong High and New Technology Venture Capital	880,215	20,000,000
Guoyuan Seed Fund	880,215	20,000,000
Guoyuan Innovation	880,215	20,000,000
Total	<u>142,770,907</u>	<u>3,244,000,000</u>

Pursuant to the Series A Capital Increase Agreement, the capital contribution for the enlarged share capital of YOFC Advanced Semiconductor to be subscribed by each of the Company and the Series A Investors is fixed at RMB22.7217 per registered share capital of YOFC Advanced Semiconductor. The Company and the Series A Investors shall settle the entire amount of their respective capital contribution by the latest payment date stated in the settlement confirmation and payment notice to be issued by YOFC Advanced Semiconductor in one single payment to the designated bank account of YOFC Advanced Semiconductor. The capital contribution of the Company for the Series A Capital Increase will be funded by the Group internal resources.

The proposed capital contribution for the Series A Capital Increase was determined through arm's length negotiations between the parties to the Series A Capital Increase Agreement after taking into consideration of (i) the valuation of the entire equity interest of YOFC Advanced Semiconductor as at December 31, 2022, as appraised and assessed by an independent valuer, China United Assets Appraisal; and (ii) the financial performance and business prospect of the YOFC Advanced Semiconductor. The Directors consider the proposed capital contribution under the Series A Capital Increase Agreement to be fair and reasonable and on normal commercial terms.

For details of the valuation on YOFC Advanced Semiconductor and the basis for determination of the proposed capital contribution under the Series A Capital Increase Agreement, please refer to the section headed "Basis for determination of the amount of the proposed capital contribution under the Series A Capital Increase Agreement and the proposed consideration under the Series A Equity Transfer Agreements" below.

Subsequent Investors

According to the Series A Capital Increase Agreement, YOFC Advanced Semiconductor has the right to invite additional investors to join the series A investment and/or determine their respective investment amount on its own discretion. Additional investors introduced to the series A investment must sign the participation letter and enter into investment agreement and shareholders' agreement on same terms and conditions of the Series A Capital Increase Agreement and the Series A Shareholders' Agreement as the Company and the Series A Investors.

The Principal Terms of the Wuhu Haiwo Equity Transfer Agreement

Date

June 26, 2023

Parties

- (1) The Company, as transferee; and
- (2) Wuhu Haiwo, as transferor.

The Wuhu Haiwo Equity Transfer Transaction and the Proposed Consideration

Pursuant to the Wuhu Haiwo Equity Transfer Agreement, Wuhu Haiwo agreed to sell and the Company agreed to purchase the entire equity interest of RMB6,797,095 in YOFC Advanced Semiconductor at a total consideration of RMB154,441,600, based on RMB22.7217 per registered share capital of YOFC Advanced Semiconductor. The consideration for the Wuhu Haiwo Equity Transfer Transaction will be funded by the Group internal resources.

The proposed consideration for the Wuhu Haiwo Equity Transfer Transaction was determined through arm's length negotiations between the parties to the Wuhu Haiwo Equity Transfer Agreement after taking into consideration of (i) the valuation of the entire equity interest of YOFC Advanced Semiconductor as at December 31, 2022, as appraised and assessed by an independent valuer, China United Assets Appraisal; and (ii) the financial performance and business prospect of the YOFC Advanced Semiconductor. The Directors consider the proposed consideration under the Wuhu Haiwo Equity Transfer Agreement to be fair and reasonable and on normal commercial terms.

For details of the basis for valuation on YOFC Advanced Semiconductor and the basis for determination of the proposed consideration under the Wuhu Haiwo Equity Transfer Agreement, please refer to the section headed "Basis for determination of the amount of the proposed capital contribution under the Series A Capital Increase Agreement and the proposed consideration under the Series A Equity Transfer Agreements" below.

The Principal Terms of the Wuhu Zewan No. 2 Equity Transfer Agreement

Date

June 26, 2023

Parties

- (1) The Company, as transferee; and
- (2) Wuhu Zewen No. 2, as transferor.

The Wuhu Zewan No. 2 Equity Transfer Transaction and the Proposed Consideration

Pursuant to the Wuhu Zewan No. 2 Equity Transfer Agreement, Wuhu Zewan No. 2 agreed to sell and the Company agreed to purchase the entire equity interest of RMB2,832,122 in YOFC Advanced Semiconductor at a total consideration of RMB64,350,700, based on RMB22.7217 per registered share capital of YOFC Advanced Semiconductor. The consideration for the Wuhu Zewan No. 2 Equity Transfer Transaction will be funded by the Group internal resources.

The proposed consideration for the Wuhu Zewan No. 2 Equity Transfer Transaction was determined through arm's length negotiations between the parties to the Wuhu Zewan No. 2 Equity Transfer Agreement after taking into consideration of (i) the valuation of the entire equity interest of YOFC Advanced Semiconductor as at December 31, 2022, as appraised and assessed by an independent valuer, China United Assets Appraisal; and (ii) the financial performance and business prospect of the YOFC Advanced Semiconductor. The Directors consider the proposed consideration under the Wuhu Zewan No. 2 Equity Transfer Agreement to be fair and reasonable and on normal commercial terms.

For details of the valuation on YOFC Advanced Semiconductor and the basis for determination of the proposed consideration under the Wuhu Zewan No. 2 Equity Transfer Agreement, please refer to the section headed "Basis for determination of the amount of the proposed capital contribution under the Series A Capital Increase Agreement and the proposed consideration under the Series A Equity Transfer Agreements" below.

BASIS FOR DETERMINATION OF THE AMOUNT OF THE PROPOSED CAPITAL CONTRIBUTION UNDER THE SERIES A CAPITAL INCREASE AGREEMENT AND THE PROPOSED CONSIDERATION UNDER THE SERIES A EQUITY TRANSFER AGREEMENTS

Valuation on YOFC Advanced Semiconductor

China United Assets Appraisal has been commissioned by YOFC Advanced Semiconductor to conduct a valuation on YOFC Advanced Semiconductor. The base date of the valuation is December 31, 2022 (the "**Valuation Date**"). China United Assets Appraisal has applied asset-based approach and market approach to prepare the YOFC Advanced Semiconductor Valuation Report and determine the appraised value of shareholders' total equity of YOFC Advanced Semiconductor.

As at the Valuation Date, based on the asset-based approach, (i) the book value and the appraised value of total assets of YOFC Advanced Semiconductor were approximately RMB1,937,327,600 and RMB1,923,139,900, respectively, representing a depreciation rate of 0.73%, (ii) the book value and appraised value of liabilities of YOFC Advanced Semiconductor were approximately RMB119,925,200 and RMB95,490,500, respectively, representing a depreciation rate of 20.37%, (iii) the book value and appraised value of shareholders' total equity of YOFC Advanced Semiconductor were approximately RMB1,817,402,400 and RMB1,827,649,400, respectively, representing an appreciation rate of 0.56%; and based on the market approach, the book value and appraised value of shareholders' total equity of YOFC Advanced Semiconductor were approximately RMB1,827,649,400 and RMB3,395,596,200, respectively, representing an appreciation rate of 86.84%.

Differences between Valuation by Asset-based Approach and Market Approach

The appraised value of shareholders' total equity of YOFC Advanced Semiconductor is RMB1,827,649,400 by asset-based approach and RMB3,395,596,200 by market approach, representing a difference of RMB1,567,946,800. According to the YOFC Advanced Semiconductor Valuation Report, such difference is mainly due to the distinct basis for valuation and valuation metrics that were taken into account under the two valuation approaches: the asset-based approach determines values by focusing on the re-acquisition of assets with reference to the principle of substitution, reflecting the replacement value of the existing assets of a business, whereas the market approach determines values by comparing a business against similar investments that are publicly listed using the guideline public company method, reflecting the value of the shareholders' equity of a business on stock markets. Taking into consideration the purpose of the conduct of the valuation on YOFC Advanced Semiconductor in conjunction with the Series A Equity Transactions and the applicable valuation basis, based on comparative analysis, China United Assets Appraisal believes that the valuation by market approach reflects the value of shareholders' total equity of YOFC Advanced Semiconductor more comprehensively and reasonably.

In light of the above, China United Assets Appraisal has adopted the value of shareholders' total equity of YOFC Advanced Semiconductor by market approach, which is RMB3,395,596,200 (i.e. RMB22.6923 per registered share capital of YOFC Advanced Semiconductor) and represents an appreciation rate of 98.65%, as its final valuation conclusion.

Price Per Share of YOFC Advanced Semiconductor for the Series A Equity Transactions

On basis of the above appraised results and through arm's length negotiations between the parties to the Series A Capital Increase Agreement and Series A Equity Transfer Agreements, the price per share of the share capital of YOFC Advanced Semiconductor to be subscribed by the the Company and Series A Investors pursuant to the Series A Capital Increase Agreement and to be transferred to the Company by Wuhu Haiwo and Wuhu Zewan No. 2 under the Wuhu Haiwo Equity Transfer Agreement and Wuhu Zewan No. 2 Equity Transfer Agreement, respectively, shall be RMB22.7217.

SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure and the enlarged share capital of YOFC Advanced Semiconductor immediately after the completion of the Series A Capital Increase and the Series A Equity Transfer Transactions:

	Shareholding percentage	Enlarged share capital RMB
The Company	22.9008%	66,963,643
Yuehai No. 2	8.7212%	25,501,574
Optics Valley Industry Development Fund	7.5256%	22,005,382
THZ Investment Centre	6.9241%	20,246,528
THZ Investment Fund	5.7701%	16,872,107
CNBM New Materials Fund	4.5154%	13,203,229
Jiaxing Guoping	4.5154%	13,203,229
YOFC Science & Innovation Fund	3.4422%	10,065,322
Fuzhe Fuchuang	3.0102%	8,802,153
Fuzhe Zitong	2.2577%	6,601,614
CICC SAIC	2.2577%	6,601,614
Shenhe Investment	1.9371%	5,664,246
Hangzhou Dahe	1.9371%	5,664,246
Yuehai No. 1	1.7434%	5,097,822
Jiaxing Linlan	1.7434%	5,097,821
CICC Ruiwei	1.5051%	4,401,076
Wanneng Haitong	1.5051%	4,401,076
Luxin Venture Capital	1.5051%	4,401,076
Founder Hesheng	1.5051%	4,401,076
Dongfeng Asset	1.5051%	4,401,076
Anhua Innovation	1.5051%	4,401,076
Jianxin Trust	1.5051%	4,401,076
CICC Zhixing	0.9031%	2,640,645
Huiyuan New Energy	0.9031%	2,640,645
Guokong Shiyue	0.9031%	2,640,645
Optics Valley Innovative Technology Investment	0.7748%	2,265,698
Haijin New Energy	0.7526%	2,200,538
Zhonghu Zhiyun	0.7526%	2,200,538
Baoyue Qicheng	0.7526%	2,200,538
Shiyue Qianyuan	0.6020%	1,760,430
Penghui Venture Capital	0.5036%	1,472,704
CICC Qihe	0.4515%	1,320,322
Tianchang Guoyuan Transformation and Upgrading Fund	0.4515%	1,320,322
Jinhua Haitong	0.3763%	1,100,269
Tianxing Tongxin	0.3763%	1,100,269
Yunlang Xiutong	0.3462%	1,012,247

	Shareholding percentage	Enlarged share capital RMB
Shandong High and New Technology Venture Capital	0.3010%	880,215
Guoyuan Seed Fund	0.3010%	880,215
Guoyuan Innovation	0.3010%	880,215
Wuhu Construction	0.2394%	700,000
Shanghai Linjun	0.1453%	424,818
Qingyuanxin Investment	0.1259%	368,176
Total	100%	292,407,511

As at the date of this announcement, the Company directly held as to 30.0511% equity interest in the registered capital of YOFC Advanced Semiconductor. Upon completion of the Series A Equity Transactions, the equity interest in YOFC Advanced Semiconductor directly owned by the Company will be diluted from 30.0511% to 22.9008% of the enlarged share capital of YOFC Advanced Semiconductor. The Company will no longer be entitled to nominate the majority of the board of directors of YOFC Advanced Semiconductor, hence the Company will loss control over the board composition of YOFC Advanced Semiconductor As such, subject to the applicable accounting standards, YOFC Advanced Semiconductor will then cease to be a subsidiary of the Company and be deemed as deconsolidated from the consolidated financial statements of the Group and be reclassified as a joint venture of the Company. The Group is expected to record a gain of approximately RMB 35,000,000 to RMB50,000,000 on the deemed disposal of its partial equity interest in YOFC Advanced Semiconductor arising from the Series A Equity Transactions due to the change in accounting method, subject to the annual audit report to be issued by the independent auditors of the Company.

THE SERIES A SHAREHOLDERS' AGREEMENT

In order to regulate the respective rights and obligations among the shareholders as well as the management of YOFC Advanced Semiconductor, on June 26, 2023, the Company, the Series A Investors, the Pre-Series A Investors, the Other Existing Shareholders and YOFC Advanced Semiconductor entered into the Series A Shareholders' Agreement.

Special Rights of the Shareholder

Equity Disposal

Before the completion of listing of YOFC Advanced Semiconductor, without the prior written consent of the shareholders of YOFC Advanced Semiconductor, the Company, Yuehai No. 1 and Yuehai No. 2 shall not dispose of (including but not limited to transfer, pledge, create any restrictions and encumbrance, or otherwise transfer) the equity interest held directly or indirectly in YOFC Advanced Semiconductor.

Repurchase Option

In case of the occurrence of any of the repurchase events pursuant to the Series A Shareholders' Agreement (the “**Repurchase Event(s)**”), investors of YOFC Advanced Semiconductor (other than the Company, the “**Option Holders**”) shall have the right to serve a written notice to request YOFC Advanced Semiconductor to repurchase all of their equity interests in YOFC Advanced Semiconductor subscribed in the Equity Transfer Transactions and the Series A Capital Increase (the “**Repurchase Option**”). The main Repurchase Events are, along with others:

- (i) A qualifying listing of YOFC Advanced Semiconductor has not occurred before May 12, 2027; and
- (ii) The construction of the production line for the Third-Generation Semiconductor Power Device Production Project has not been completed before December 31, 2026; for the avoidance of doubt, the completion of construction of the production line refers to the completion of installation and commissioning of key process equipment, which includes lithography machines, etching machines, ion implanters and epitaxy furnaces. The completion of installation and commissioning of key process equipment shall be subject to the issuance of an acceptance report by the Company, YOFC Advanced Semiconductor should ascertain that the acceptance report is true, accurate and complete.

If the Option Holders serve a written notice requesting YOFC Advanced Semiconductor to undertake its obligations under the Repurchase Option, YOFC Advanced Semiconductor shall pay the Repurchase Price (as defined below) in full within six months after the receipt of the written notice, failing which a default penalty of 8% annualized interest on the unpaid balance shall be paid to the Option Holders for each day of the default, until the date on which the Repurchase Price is fully settled.

The repurchase price of the Repurchase Option shall be calculated in accordance with the following formula:

$$Y = M \times (1 + 8\% \times T) - R$$

where:

Y = the repurchase price of the Repurchase Option (the “**Repurchase Price**”).

M = the capital injection amount in YOFC Advanced Semiconductor (the “**YOFC Advanced Semiconductor Capital Injection Amount**”) corresponding to the equity interest to be repurchased. If the Option Holders acquired the equity interest of YOFC Advanced Semiconductor by way of transfer, it shall be calculated based on the YOFC Advanced Semiconductor Capital Injection Amount paid by the transferor (in case of multiple equity transfers, refers to the transferor of the first equity transfer of such series of transfers, the “**Transferor**” hereinafter) to YOFC Advanced Semiconductor corresponding to the equity interest to be repurchased.

T = the number of natural days between (a) the date on which the YOFC Advanced Semiconductor Capital Injection Amount corresponding to the equity interest to be repurchased is credited to the designated account of YOFC Advanced Semiconductor and (b) the date on which the Repurchase Price is paid by YOFC Advanced Semiconductor, divided by 365. If the Option Holders acquired the equity interest of YOFC Advanced Semiconductor by way of transfer, it shall be calculated based on the number of natural days between (a) the date on which the YOFC Advanced Semiconductor Capital Injection Amount corresponding to the equity interest to be repurchased is credited to the designated account of YOFC Advanced Semiconductor by the Transferor and (b) the date on which the Repurchase Price is paid by YOFC Advanced Semiconductor, divided by 365.

R = the dividend previously received by the relevant Option Holders in respect of the equity interest of YOFC Advanced Semiconductor to be repurchased.

For the avoidance of doubt, (i) if YOFC Advanced Semiconductor pays the Repurchase Price in instalments, it is deemed to have pay the YOFC Advanced Semiconductor Capital Injection Amount corresponding to the equity interest to be repurchased first, and (ii) if the Option Holders or the Transferor paid the YOFC Advanced Semiconductor Capital Injection Amount or YOFC Advanced Semiconductor shall pay the Repurchase Price in instalments, the Repurchase Price is calculated based on the respective instalment payments accordingly.

All shareholders of YOFC Advanced Semiconductor should cooperate in the passing of relevant shareholder's resolution and the execution of documents necessary to effect the capital reduction of YOFC Advanced Semiconductor. Before the Option Holders receive the Repurchase Price in full, they shall remain shareholder of YOFC Advanced Semiconductor, and shall enjoy the right to vote and the right to dividend. If YOFC Advanced Semiconductor does not have sufficient cash to pay for the Repurchase Price, the Option Holders have the right to request YOFC Advanced Semiconductor to raise funds to meet its repurchase obligation through the sale of assets or by other means for raising capital permitted by applicable laws. The shareholders of YOFC Advanced Semiconductor agree YOFC Advanced Semiconductor to raise capital for fulfilling its obligation in relation to the Repurchase Option through the sale of assets or by other means and undertake to sign the relevant legal documents thereof.

Liquidation Preference

In case of any liquidation, dissolution or termination of YOFC Advanced Semiconductor, the assets of YOFC Advanced Semiconductor shall be distributed in the following order:

- (i) the liquidation fee, employee salaries, social insurance, statutory compensation and any outstanding taxes shall be settled in accordance with applicable laws;
- (ii) after the settlement of the balance set out in paragraph (i) above in full, the preferential liquidation payment of the Series A Investors shall be distributed to respective Series A Shareholders. If the amount of assets available to each of the Series A Investor pursuant to this subparagraph (ii) is insufficient for distribution to all parties thereof, such assets shall be distributed to the Series A Investors in proportion to their respective preferential liquidation payment in accordance with this paragraph (ii);

- (iii) after the settlement of the balance set out in paragraphs (i) and (ii) above in full, the preferential liquidation payment of the Pre-Series A Investors, Wuhu Construction, THZ Investment Fund and THZ Investment Centre shall be distributed to respective parties thereof. If the amount of assets available to each of the Pre-Series A Investor, Wuhu Construction, THZ Investment Fund and THZ Investment Centre pursuant to this subparagraph (iii) is insufficient for distribution to all parties thereof, such assets shall be distributed to the Pre-Series A Investor, Wuhu Construction, THZ Investment Fund and THZ Investment Centre proportional to their respective preferential liquidation payment in accordance with this paragraph (iii);
- (iv) after the settlement of the balance set out in paragraphs (i) to (iii) above in full, the preferential liquidation payment of the Company, Yuehai No. 1 and Yuehai No. 2 shall be distributed to respective parties thereof. If the amount of assets available to the Company, Yuehai No. 1 and Yuehai No. 2 pursuant to this subparagraph (iv) is insufficient for distribution to all shareholders thereof, such assets shall be distributed to the Company, Yuehai No. 1 and Yuehai No. 2 proportional to their respective preferential liquidation payment in accordance with this paragraph (iv);
- (v) after the settlement of the balance set out in the preceding paragraphs in full, any remaining assets of YOFC Advanced Semiconductor shall be distributed among all the shareholders of YOFC Advanced Semiconductor at the time of distribution proportionate to their respective shareholdings by then.

The aforementioned preferential liquidation payment shall be calculated in accordance with the following formula:

$$Y = M \times (1 + 8\% \times T) - R$$

where:

Y = the preferential liquidation payment

M = the principal amount of the YOFC Advanced Semiconductor Capital Injection Amount, which is determined based on the YOFC Advanced Semiconductor Capital Injection Amount in respect of the equity interests held by relevant shareholders. If shareholders acquired the equity interest of YOFC Advanced Semiconductor by way of transfer, it shall be calculated based on the YOFC Advanced Semiconductor Capital Injection Amount paid by the Transferor to YOFC Advanced Semiconductor in respect of the corresponding equity interest;

T = the number of natural days between (a) the date on which the YOFC Advanced Semiconductor Capital Injection Amount corresponding to the equity interest held by relevant shareholders is credited to the designated account of YOFC Advanced Semiconductor and (b) the date on which the liquidation payment is paid by YOFC Advanced Semiconductor, divided by 365. If shareholders acquired the equity interest of YOFC Advanced Semiconductor by way of transfer, it shall be calculated based on of the number of natural days between (a) the date on which the YOFC Advanced Semiconductor Capital Injection Amount corresponding to the equity interest is credited to the designated account of YOFC Advanced Semiconductor by the Transferor and (b) the date on which the liquidation payment is paid by YOFC Advanced Semiconductor, divided by 365.

R = the dividend previously received by the relevant shareholders in respect of the equity interest in YOFC Advanced Semiconductor.

For the avoidance of doubt, (i) if YOFC Advanced Semiconductor pays the liquidation payment in instalments, it is deemed to have pay the principal amount of the YOFC Advanced Semiconductor Capital Injection Amount first, and (ii) if relevant shareholders or the Transferor paid the YOFC Advanced Semiconductor Capital Injection Amount or YOFC Advanced Semiconductor shall pay the liquidation payment in instalments, the liquidation payment is calculated based on the respective instalment payments accordingly.

The asset sale (all or substantially all of the assets of YOFC Advanced Semiconductor are being sold, or all or substantially all of the intellectual properties of YOFC Advanced Semiconductor are being exclusively licensed or sold to third parties) shall be deemed a liquidation of YOFC Advanced Semiconductor and the proceeds arising therefrom shall be distributed in accordance with the preferential liquidation payment distribution arrangements in the preceding paragraphs (the “**Preferential Liquidation Distribution Arrangements**”), except for paragraph (1) which shall no longer apply.

If, in compliant with the law requirements then applicable, the property of the Target Company cannot be distributed according to the Preferential Liquidation Distribution Arrangements, shareholders who received proceeds that is more than the amount distributable in accordance with the Preferential Liquidation Distribution Arrangements shall, by means including by not limited to gratuitous gift, compensate the other shareholders, to ensure each of the shareholders receive the full amount of the proceeds distributable pursuant to the Preferential Liquidation Distribution Arrangements. For the avoidance of doubt, the parties acknowledge that, if any shareholders are not distributed with sufficient proceeds to compensate the other shareholders of the amount distributable pursuant to the Preferential Liquidation Distribution Arrangements, the amount which shall be paid by such shareholders to the other shareholders in accordance with the Preferential Liquidation Distribution Arrangements shall be limited to the amount of proceeds distributed to them from the liquidation.

INFORMATION ON THE COMPANY, THE SERIES A INVESTORS, WUHU HAIWO, WUHU ZEWAN NO. 2 AND YOFC ADVANCED SEMICONDUCTOR

The Group

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.

YOFC Science & Innovation Fund

YOFC Science & Innovation Fund is a limited partnership established in the PRC on April 16, 2021 and is principally engaged in provision of private equity investment funds management and venture capital fund management services, as well as venture capital. YOFC Science & Innovation Fund is owned as to 34% by the Wuhan YOFC Capital Management Co., Ltd.* (武漢市長飛資本管理有限公司) (“**YOFC Capital**”, a wholly-owned subsidiary of the Company) (as limited partner), 30% by Wuhan Optics Valley Innovative Technology Investment Fund Co., Ltd.* (武漢

光谷新技術產業投資有限公司) (as limited partner), 25% by Changjiang Venture Capital Fund Management Co., Ltd.* (長江創業投資基金有限公司) (as limited partner), 10% by Wuhan Optics Valley Innovative Investment Fund Co., Ltd.* (武漢光谷創新投資基金有限公司) (as limited partner) and 1% by Wuhan YOFC Industrial Fund Management Co., Ltd. (武漢長飛產業基金管理有限公司) (“**YOFC Industrial Fund**”, as general partner).

Wuhan Optics Valley Innovative Investment Fund Co., Ltd. is wholly owned by the state-owned Wuhan East Lake High-tech Development Zone Administration Committee. YOFC Industrial Fund is owned as to 35% by YOFC Capital. YOFC Capital is a wholly-owned subsidiary of the Company.

Optics Valley Industry Development Fund

Optics Valley Industry Development Fund is a limited partnership established in the PRC on December 25, 2017 and is principally engaged in non-securities equity investment activities and related consulting services. Optics Valley Industry Development Fund is owned as to 99.8% by Wuhan Optics Valley Financial Holding Group Co., Ltd.* (武漢光谷金融控股集團有限公司) (“**Optics Valley Financial**”, as limited partner) and 0.2% by Wuhan Optics Valley Industry Development Fund Management Co., Ltd. (武漢光谷產業發展基金管理有限公司) (“**Optics Valley Fund Management**”, as general partner). Optics Valley Fund Management is a wholly owned subsidiary of Optics Valley Financial. The actual controller of Optics Valley Financial is the state-owned Wuhan East Lake High-tech Development Zone Administration Committee (武漢東湖新技術開發區管理委員會).

CNBM New Materials Fund

CNBM New Materials Fund is a limited partnership established in the PRC on August 31, 2021 and is principally engaged in the provision of private equity investment, investment management and asset management services and other private equity funds-related activities. CNBM (Anhui) New Materials Fund Management Co., Ltd. (中建材(安徽)新材料基金管理有限公司) (“**CNBM New Materials Management**”) is the general partner of CNBM New Materials Fund. None of the limited partners of CNBM New Materials Fund hold 30% or more interest in the partnership.

CNBM New Materials Management is owned as to 37.86% by CNBM Private Equity Fund Management (Beijing) Co., Ltd.* (中建材私募基金管理(北京)有限公司) and 62.14% by other shareholders, each of whom is interested in less than 15% of equity interest in CNBM New Materials Management. CNBM Private Equity Fund is ultimately controlled by the State-owned Assets Supervision and Administration Commission (“**SCSAC**”) of the State Council (國務院國有資產監督管理委員會).

Jiaxing Guoping

Jiaxing Guoping is a limited partnership established in the PRC on November 23, 2021 and is principally engaged in equity investment and investment consultation. Jiaxing Guoping is owned as to 97.5293% by Ping An Life Insurance Company of China, Ltd. (as limited partner), 2.4382% by Yangzhou Guolang Equity Investment Partnership (Limited Partnership)* (揚州國朗股權投資合夥企業(有限合夥)) (as limited partner) and 0.0325% by Ningbo Zhongping Enterprise Management Co., Ltd. * (寧波仲平企業管理有限公司) (“**Ningbo Zhongping**”, as general partner).

Ping An Life Insurance Company of China, Ltd. is owned as to 99.51% by Ping An Insurance (Group) Company of China, Ltd., a company listed on the Stock Exchange (stock code: 2318). Ningbo Zhongping is owned as to 68.1452% by Mr. Qian Hong and 31.8548% by other individual shareholders, each of whom is interested in less than 10% of equity interest in Ningbo Zhongping.

Fuzhe Fuchuang and Fuzhe Zitong

Fuzhe Fuchuang is a limited partnership established in the PRC on December 28, 2022 and is principally engaged in equity investment. The general partner of Fuzhe Fuchuang is Zhejiang Fuzhe Equity Investment Fund Management Co., Ltd.* (浙江富浙股權投資基金管理有限公司) (“**Zhejiang Fuzhe Equity Investment**”). Except for Zhejiang Fuzhe Capital Management Co., Ltd.* (浙江富浙資本管理有限公司) (“**Zhejiang Fuzhe Capital**”), a limited partner which holds 39.4% of the equity interest in Fuzhe Fuchuang, none of the limited partners of Fuzhe Fuchuang hold 30% or more interest in the partnership.

Fuzhe Zitong is a limited partnership established in the PRC in December 28, 2022 and is principally engaged in equity investment. Fuzhe Zitong is owned as to 96.5232% by Zhejiang Fuzhe Capital (as limited partner), 3.4748% by Hangzhou Fuzhe Daozheng Equity Investment Partnership (Limited Partnership)* (杭州富浙道正股權投資合夥企業(有限合夥)) (as limited partner) and 0.0020% by Zhejiang Fuzhe Equity Investment (as general partner).

Zhejiang Fuzhe Equity Investment is a private equity fund and venture capital manager, owned as to 40% by Zhejiang Fuzhe Capital, 40% by Zhejiang Manufacturing Investment Management Co., Ltd.* (浙江製造投資管理有限公司) (“**Zhejiang Manufacturing Investment**”) and 20% by Zhejiang Free Trade Zone National Reform and Innovation Investment Management Partnership (Limited Partnership)* (浙江自貿區國改創新投資管理合夥企業(有限合夥)). Zhejiang Manufacturing Investment is ultimately controlled by the State Council of the PRC. Zhejiang Fuzhe Capital is ultimately controlled by the SASAC of the People’s Government of Zhejiang Province (浙江省人民政府國有資產監督管理委員會).

CICC SAIC, CICC Ruiwei and CICC Zhixing

CICC SAIC is a limited partnership established in the PRC on March 11, 2021 and is principally engaged in the provision of private equity investment fund management and venture capital investment fund management services, the general partners of which are CICC Capital Management Co., Ltd.* (中金資本運營有限公司) (“**CICC Capital**”) and Shanghai SAIC Hengxu Investment Management Co., Ltd.* (上海上汽恒旭投資管理有限公司) (“**Shanghai SAIC**”). Except for Qingdao SAIC Innovation and Upgrading Industry Equity Investment Fund Partnership (Limited Partnership)* (青島上汽創新升級產業股權投資基金合夥企業(有限合夥)) (“**Qingdao SAIC**”), a limited partner who holds 72% of the equity interest in CICC SAIC, none of the limited partners of CICC SAIC hold 30% or more interest in the partnership. Shanghai SAIC is owned as to 45% by Shanghai Qijia Business Management Consulting Partnership (Limited Partnership)* (上海頤嘉企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Qijia**”) and 40% by SAIC Motor Financial Holding Management Co., Ltd.* (上海汽車集團金控管理有限公司) (“**SAIC Motor Financial**”). Shanghai Qijia is owned as to 68.8% by Mr. Lu Yongtao. SAIC Motor Financial is ultimately controlled by the SASAC of Shanghai Municipal Government (上海市國有資產監督管理委員會). Qingdao SAIC is owned as to 99.6% by SAIC Motor Corp., Ltd., which is a company listed on the Shanghai Stock Exchange (SHA: 600104).

CICC Ruiwei is a limited partnership established in the PRC on August 15, 2022 and is principally engaged in private equity fund related investment, investment management and asset management activities. CICC Ruiwei is owned as to 97.94% Hubei Railway Development Fund Co., Ltd.* (湖北省鐵路發展基金有限責任公司) (“**Hubei Railway Development**”, as limited partner), 1.96% by CICC Capital (as general partner) and 0.10% by Mr. Xu Zhongchao. Hubei Railway Development is ultimately controlled by the SASAC of the People’s Government of Hubei Province (湖北省人民政府國有資產監督管理委員會).

CICC Zhixing is a limited partnership established in the PRC on September 11, 2018 and is principally engaged in the management and entrusted management of equity-related investments and the provision of relevant advisory services, the general partner of which is CICC Capital. Except for Xinzhifeng (Wuhan) Private Equity Fund Management Partnership (Limited Partnership)* (信之風(武漢)私募基金管理合夥企業(有限合夥)) (“**Xinzhifeng Private Equity Fund**”), a limited partner who holds 42.37% of the equity interest in CICC Zhixing, none of the limited partners of CICC Zhixing hold 30% or more interest in the partnership. Xinzhifeng Private Equity Fund is ultimately controlled by the State Council of the PRC (中國國務院).

CICC Capital, the general partner of each of CICC SAIA, CICC Ruiwei and CICC Zhixing, is a wholly-owned subsidiary of China International Capital Corporation Limited, which is a company listed on the Stock Exchange and the Shanghai Stock Exchange (stock code: 3908 and SHA: 601995).

CICC Qihe

CICC Qihe is a limited partnership established in the PRC on October 12, 2021 and is principally engaged in equity investment. CICC Qihe is owned as to 98% by Huzhou Industrial Fund Investment Co., Ltd.* (湖州市產業基金投資有限公司) (as limited partner), 1% by CICC Private Equity Investment Management Co., Ltd.* (中金私募股權投資管理有限公司) (as general partner) and 1% by Huzhou SME Venture Capital Co., Ltd.* (湖州市中小企業創業投資有限公司) (as limited partner). CICC Private Equity Investment Management Co., Ltd. is a wholly-owned subsidiary of China International Capital Corporation Limited, a company listed on the Stock Exchange and the Shanghai Stock Exchange (stock code: 3908 and SHA: 601995). Both Huzhou Industrial Fund Investment Co., Ltd. is ultimately controlled by the SASAC of the Huzhou Municipal Government (湖州市人民政府國有資產監督管理委員會).

Dongfeng Asset

Dongfeng Asset is a limited partnership established in the PRC on June 24, 2021 and is principally engaged in activities such as equity investment, investment management and asset management with private equity funds. It is owned as to 99.97% by Dongfeng Asset Management Co., Ltd.* (東風資產管理有限公司) (“**Dongfeng Asset Management**”, as limited partner) and 0.03% by Yuanjing (Wuhan) Investment Management Co., Ltd.* (轅憬(武漢)投資管理有限公司) (“**Yuanjing Investment Management**”, as general partner). Both Dongfeng Asset Management and Yuanjing Investment Management are ultimately controlled by the SASAC of the State Council (國務院國有資產監督管理委員會).

Wanneng Haitong and Jinhua Haitong

Wanneng Haitong is a limited partnership established in the PRC on December 30, 2021 and is principally engaged in private equity fund related investment, investment management and asset management activities, the general partner of which is Haitong M & A (Shanghai) Private Equity Fund Management Co., Ltd.* (海通拼購(上海)私募基金管理有限公司) (“**Haitong M & A Private Equity Fund**”). Except for Anhui Carbon Neutral Fund Co., Ltd.* (安徽省碳中和基金有限公司) (“**Anhui Carbon Neutral Fund**”), a limited partner who holds 39.6667% of the equity interest in Wanneng Haitong, none of the limited partners of Wanneng Haitong hold 30% or more interest in the partnership. Anhui Carbon Neutral Fund is ultimately controlled by the SASAC of the People’s Government of Anhui Province (安徽省人民政府國有資產監督管理委員會).

Jinhua Haitong is a limited partnership established in the PRC on January 29, 2022 and is principally engaged in equity investment and the provision of private equity investment fund management and venture capital investment fund management services, the general partner of which is Haitong M & A Private Equity Fund. None of the limited partners of Jinhua Haitong hold 30% or more interest in the partnership.

Haitong M & A Private Equity Fund is owned as to 51% by Haitong Kaiyuan Investment Co., Ltd.* (海通開元投資有限公司) (“**Haitong Kaiyuan**”) and 49% by other shareholders, each of whom is interested in less than 20% of equity interest in Haitong M & A Private Equity Fund. Haitong Kaiyuan is a wholly owned subsidiary of Haitong Securities Co. Ltd, a company listed on the Stock Exchange and Shanghai Stock Exchange (stock code: 6837 and SHA: 600837).

Luxin Venture Capital and Shandong High and New Technology Venture Capital

Luxin Venture Capital is a limited partnership established in the PRC on April 28, 2023 and is principally engaged in unlisted venture capital investments. Luxin Venture Capital is owned as to 96.77% by Shandong Luxin New and Old Kinetic Energy Conversion Venture Capital Parent Fund Partnership (Limited Partnership)* (山東省魯信新舊動能轉換創投母基金合夥企業(有限合夥)) (“**Shandong Luxin Venture Capital Parent Fund**”, as limited partner) and 3.23% by Shandong High and New Technology Venture Capital (as general partner). Shandong Luxin Venture Capital Parent Fund is owned as to 47% by Luxin Venture Capital Group Co., Ltd.* (魯信創業投資集團股份有限公司) (“**Luxin Venture Capital**”) and 54% by other shareholders, each of whom is interested in less than 30% of equity interest in Shandong Luxin Venture Capital Parent Fund.

Shandong High and New Technology Venture Capital is a limited company incorporated in the PRC on June 16, 2000. It is principally engaged in the provision of venture capital-related services, including investment, investment advisory and business management, it also acts as agent of venture capital investment institutions or individuals and participates in the establishment of venture capital enterprises and management consulting agencies.

Shandong High and New Technology Venture Capital is a wholly-owned subsidiary of Shandong Luxin High-Tech Industry Co Ltd* (魯信創業投資集團股份有限公司), which is a company listed on the Shanghai Stock Exchange (SHA: 600783).

Founder Hesheng

Founder Hesheng is a limited partnership established in the PRC on October 21, 2019 and is principally engaged in equity investment, investment management and investment consultation, the general of which is Founder Hesheng Investment Co., Ltd.* (方正和生投資有限責任公司) (“**Founder Hesheng Investment**”). Except for Anhui Sanzhong Yichuang Industrial Development Fund Co., Ltd.* (安徽省三重一創產業發展基金有限公司) (“**Sanzhong Yichuang Development Fund**”), a limited partner who holds as to 45% of the equity interest in Founder Hesheng, none of the limited partners of Founder Hesheng hold 30% or more interest in the partnership. Founder Hesheng Investment is a wholly-owned subsidiary of Founder Securities Co., Ltd. (方正證券股份有限公司), a company listed on the Shanghai Stock Exchange (SHA: 601901). Sanzhong Yichuang Development Fund is ultimately controlled by the SASAC of the People’s Government of Anhui Province (安徽省人民政府國有資產監督管理委員會).

Anhua Innovation

Anhua Innovation is a limited company incorporated in November 11, 2017 and is principally engaged in equity investment, debt investment and the provision of investment advisory, management and consulting services. Anhua Innovation is owned as to 20.0000% by Hua’an Jiaye Investment Management Co., Ltd.* (華安嘉業投資管理有限公司), 20.0000% by Guoyuan Innovation, 11.4286% by Anhui Salt Industry Investment Holding Group Co., Ltd.* (安徽省鹽業投資控股集團有限公司), 11.4286% by Anhui Traffic Control Capital Investment Management Co., Ltd.* (安徽交控資本投資管理有限公司), 10.2857% by Hefei Industrial Investment Guidance Fund Co., Ltd.* (合肥市產業投資引導基金有限公司), 6.2857% by Anhui Huawen Venture Capital Management Co., Ltd.* (安徽華文創業投資管理有限公司), 6.2857% by Time Publishing And Media Co., Ltd.* (時代出版傳媒股份有限公司) (a company listed on the Shanghai Stock Exchange, SHA: 600551), 5.7143% by Hefei High-tech Construction Investment Group Co., Ltd.* (合肥高新建設投資集團公司), 5.7143% by Fuyang Yingke Innovation Investment Co., Ltd.* (阜陽市穎科創新投資有限公司) and 2.8571% by Anhui State Control Investment Co., Ltd.* (安徽國控投資有限公司).

Jianxin Trust

Jianxin Trust is a limited partnership established in the PRC on May 29, 2023 and is principally engaged in activities such as equity investment, investment management and asset management with private equity funds. Jianxin Trust is owned as to 58.98% by Beijing Juxinde Investment Management Center (Limited Partnership)* (北京聚信德投資管理中心(有限合夥)) (formerly known as Beijing Jianxin Jude Investment Management Center (Limited Partnership)* (北京建信聚德投資管理中心(有限公司))) (“**Juxinde**”, as limited partner), 20.00% by Hefei High Quality Development Guidance Fund Co. Ltd.* (合肥市高質量發展引導基金有限公司) (as limited partner), 20.00% by Hefei Luzhou No.1 Industrial Fund Co., Ltd.* (合肥廬州壹號產業基金有限公司) (as limited partner), 1.00% by CCB (Beijing) Investment Fund Management Co., Ltd.* (建信(北京)投資基金管理有限責任公司) (“**CCB Investment Fund**”, as general partner) and 0.02% by Nanfang Jianxin Investment Co., Ltd.* (南方建信投資有限公司) (as limited partner).

Juxinde is owned as to 87.56% and CCB Investment Fund is owned as to 100% by Jianxin Trust Co., Limited (建信信託有限責任公司), in which 67% of its equity interest is held by China Construction Bank Corporation (the shares of which are listed on the Stock Exchange and Shanghai Stock Exchange (stock code: 939 and SHA: 601939)) and 33% of its equity interest is held by Hefei Xingtai Financial Holding (Group) Co., Ltd.* (合肥興泰金融控股(集團)有限公司). Hefei Xingtai Financial Holding (Group) Co., Ltd. are ultimately controlled by the SASAC of the Hefei Municipal Government (合肥市人民政府國有資產監督管理委員會).

Huiyuan New Energy, Guoyuan Innovation, Tianchang Guoyuan Transformation and Upgrading Fund and Guoyuan Seed Fund

Huiyuan New Energy is a limited partnership established in the PRC on December 9, 2022 and is principally engaged in venture capital investment and activities such as equity investment, investment management and asset management with private equity funds, the general partner of which is Guoyuan Equity Investment Co., Ltd.* (國元股權投資有限公司) (“**Guoyuan Equity**”). None of the limited partners of Huiyuan New Energy hold 30% or more interest in the partnership.

Guoyuan Innovation is a limited company incorporated in the PRC on November 28, 2012 and is principally engaged project equity investment and equity investment.

Guoyuan Equity and Guoyuan Innovation are wholly-owned subsidiaries of Guoyuan Securities Co., Ltd.* (國元證券股份有限公司), the shares of which are listed on Shenzhen Stock Exchange (SHE: 000728).

Tianchang Guoyuan Transformation and Upgrading Fund is a limited company incorporated in the PRC on April 28, 2023 and is principally engaged in activities such as equity investment, investment management and asset management with private equity funds. Tianchang Guoyuan Transformation and Upgrading Fund is owned as to 60% by Tianchang Urban Financial Development Co., Ltd.* (天長市城鎮金融發展有限公司), which is ultimately controlled by the SASAC of the Tianchang Municipal Government (天長市人民政府國有資產監督管理委員會), and 40% by Anhui Industrial Transformation and Upgrading Fund Co., Ltd.* (安徽省產業轉型升級基金有限公司), which is ultimately controlled by the SASAC of the People’s Government of Anhui Province (安徽省人民政府國有資產監督管理委員會).

Guoyuan Seed Fund is a limited company incorporated in the PRC on October 20, 2022 and is principally engaged in venture capital investment, equity investment and equity-related debt investment and investment consultation. Guoyuan Seed Fund is owned as to 50% by Anhui Guoyuan Seed Investment Fund Co., Ltd.* (安徽國元種子投資基金有限公司), 20% by Wuhu Xinma Investment Co., Ltd.* (蕪湖新馬投資有限公司), 15% by Wuhu Angel Investment Fund Co., Ltd.* (蕪湖天使投資基金有限公司) and 15% by Wuhu Wanjun Construction Investment Co., Ltd. (蕪湖市灣沚建設投資有限公司). Anhui Guoyuan Seed Investment Fund Co., Ltd. is ultimately controlled by the People’s Government of Anhui Province (安徽省人民政府).

Guokong Shiyue and Shiyue Qianyuan

Guokong Shiyue is a limited partnership established in the PRC on March 8, 2023 and is principally engaged in unlisted venture capital investment, investment with self-owned funds and activities such as equity investment, investment management and asset management with private equity funds. The general partner of Guokong Shiyue is Shanghai Shiyue Asset Management Co., Ltd.* (上海十月資產管理有限公司) (“**Shanghai Shiyue**”). Except for Anhui Mixed Ownership Reform Fund Co., Ltd.* (安徽省混合所有制改革基金有限公司), a limited partner who holds 30% of the equity interest in Guokong Shiyue, none of the limited partners of Guokong Shiyue hold 30% or more interest in the partnership. Anhui Mixed Ownership Reform Fund Co., Ltd. is ultimately controlled by the SASAC of the People’s Government of Anhui Province (安徽省人民政府國有資產監督管理委員會). Shanghai Shiyue is held as to 35% by Mr. Gong Hanting, 33% by Mr. Zeng Niansheng, 29% by Mr. Cui Ling and 9% by Ms. Gao Minlan.

Shiyue Qianyuan is a limited partnership established in the PRC on August 30, 2022 and is principally engaged in activities such as equity investment, investment management and asset management with private equity funds, the general partner of which is Hainan Shiyue Tongsheng Private Equity Investment Fund Management Partnership (Limited Partnership)* (海南十月桐生私募股權投資基金管理合夥企業(有限合夥)) (“**Shiyue Tongsheng**”). Except for Huafang Group Co., Ltd.* (華芳集團有限公司) and Mr. Qin Daqian, limited partners who are interested in 38% and 33% of equity interest in Shiyue Qianyuan, none of the limited partners of Shiyue Qianyuan hold 10% or more interest in the partnership. Mr. Qin Daqian is the single largest shareholder of Huafang Group Co., Ltd. and controls 19.75% of its equity interest. Shiyue Tongsheng is owned as to 31.5% by Mr. Gong Hanting, 29.7% by Mr. Zeng Niansheng, 26.1% by Mr. Cui Ling, 10.0% by Shanghai Shiyue and 2.7% by Ms. Gao Minlan.

Haijin New Energy

Haijin New Energy is a limited partnership established in the PRC on May 16, 2022 and is principally engaged in venture capital investment, the general partner of which is Suzhou Chunsu Venture Capital Partnership (Limited Partnership)* (蘇州純素創業投資合夥企業(有限合夥)) (“**Suzhou Chunsu**”). None of the limited partners of Haijin New Energy hold 30% or more interest in the partnership.

Suzhou Chunsu is owned as to 30% by Mr. Song Xichao and 70% by Tibet Jinyuan Investment Management Co., Ltd.* (西藏金緣投資管理有限公司), which is a wholly-owned subsidiary of Jolmo Capital* (金雨茂物投資管理股份有限公司) (formerly known as Jiangsu Jinmao Investment Management Co., Ltd.* (江蘇金茂投資管理股份有限公司)), the share of Jolmo Capital is listed on the National Equities Exchange and Quotations for trading (NEEQ: 834960).

Zhonghu Zhiyun

Zhonghu Zhiyun is a limited partnership established in the PRC on November 8, 2022 and is principally engaged in the provision of technical services and activities in relation to technology development, technical consultation, technology transfer and technology promotion. Zhonghu Zhiyun is owned as to 56.4% by Ningbo Dejin Enterprise Management Partnership (Limited Partnership)* (寧波德進企業管理合夥企業(有限合夥)) (“**Ningbo Dejin**”, as limited partner), 18.8% by Shanghai Chanlong Asset Management Co., Ltd.* (上海禪龍資產管理有限公司) (as limited partner), 22.6% by Mr. Xu Jiang (as limited partner) and 2.3% by Mr. Zhang Bing (as general partner).

Apart from Dingtai Haifu Investment Management Co., Ltd.* (鼎泰海富投資管理有限公司) (“**Dingtai Haifu**”) and Ningbo Mingde Hengsheng Investment Co., Ltd.* (寧波明德恒生投資有限公司) (“**Ningbo Mingde**”), each of whom hold 33.33% of equity interest in Ningbo Dejin, none of the shareholders of Dingtai Haifu hold 30% or more interest in the company. Dingtai Haifu is owned as 80% by Meide Group Co., Ltd.* (玫德集團有限公司), which is held as to 64.51% by Jinan Gongchuang Meide Enterprise Management Partnership (Limited Partnership)* (濟南共創玫德企業管理合夥企業(有限合夥)) (“**Gongchuang Meide**”) and 35.49% by Ningbo Mingde. Mr. Liu Yong is the single largest shareholder of Gongchuang Meide and controls 19.75% of its equity interest. Ningbo Mingde is wholly owned by Mr. Hong Linglei.

Baoyue Qicheng

Baoyue Qicheng is a limited partnership established in June 2, 2023. It is principally engaged in private equity investment fund management, venture capital fund management and equity investment with self-owned funds, and the provision of financing consulting services and information technology consulting services. Baoyue Qicheng is owned as to 99.99% by Mr. Zhang Zhiqiang (as limited partner) and 0.01% by Shanghai Baoyue Investment Management Co., Ltd.* (上海寶樾投資管理有限公司) (as general partner). Shanghai Baoyue Investment Management Co., Ltd. is owned as to 60% by Mr. Gao Jian and 40% by Mr. Shen Chong.

Tianxing Tongxin

Tianxing Tongxin is a limited partnership established in the PRC on February 9, 2023 and is principally engaged in activities such as equity investment, investment management and asset management with private equity funds, and unlisted venture capital investment. The general partner of Tianxing Tongxin is Shanghai Tianxing Weishi Private Equity Fund Management Co., Ltd.* (上海天興未石私募基金管理有限公司) (“**Tianxing Weishi**”). None of the limited partners of Tianxing Tongxin hold 30% or more interest in the partnership. Tianxing Weishi is owned as to 37% by Shanghai Feihuai Investment Co., Ltd.* (上海斐懷投資有限公司) (“**Shanghai Feihuai**”), 33% by Shanghai Zidanchen Enterprise Management Center (Limited Partnership)* (上海梓丹晨企業管理中心(有限合夥)) (“**Shanghai Zidanchen**”) and 30% by Zhejiang Zhuji Huifeng Venture Capital Co., Ltd.* (浙江諸暨惠風創業投資有限公司) (“**Zhuji Huifeng**”).

Shanghai Feihuai is 100% owned by Mr. Bai Ge. Shanghai Zidanchen is owned as to 57.58% by Ms. Luo Danjun, 30.30% by Mr. Su Ziqing and 12.12% by other shareholders. Zhuji Huifeng is 100% owned by Mr. Zhao Linzhong.

Yunlang Xiutong

Yunlang Xiutong is a limited partnership established in the PRC on March 21, 2023 and is principally engaged in venture capital investment. Yunlang Xiutong is owned as to 99% by Mr. Guo Qi (as limited partner) and 1% by Ningbo Biolink Yunxiu Jinyong Investment Management Co., Ltd.* (寧波梅山保稅港區雲岫金湧投資管理有限公司) (as general partner), which is 100% owned by Mr. Gao Chao.

Wuhu Haiwo and Wuhu Zewan No. 2

Wuhu Haiwo is a limited partnership established in the PRC on March 3, 2022 and is principally engaged in venture capital, investment activities, assets management services and financing consultation services. Wuhu Haiwo is owned as to 25% by Wuhu Industrial Investment Fund Co., Ltd.* (蕪湖產業投資基金有限公司) (as limited partner), 25% by Wuhu Jiuchuang Investment Fund Co., Ltd.* (蕪湖市鳩創投資基金有限公司) (as limited partner), 49% by Xiamen Haiwo Gangqiang Venture Capital Partnership* (廈門海沃剛強創業投資合夥企業) (as limited partner) and 1% by Wuhu Simowei'er Investment Management Co., Ltd.* (蕪湖斯摩維爾投資管理有限公司) (“**Wuhu Simowei'er**”, as general partner).

Wuhu Zewan No. 2 is a limited partnership established in the PRC on December 6, 2021 and is principally engaged in venture capital, investment activities, assets management services and financing consultation services. Wuhu Zewan No. 2 is owned as to 80% by Mr. Li Pengfei (as limited partner) and 20% by Wuhu Simowei'er (as general partner).

Wuhu Industrial Investment Fund Co., Ltd. is owned as to 90.9628% by Wuhu Construction. Wuhu Jiuchuang Investment Fund Co., Ltd. is directly and indirectly owned as to 99.5109% by Assets Supervision and Administration Commission of the Wuhu Jiujiang People's Government of China. Xiamen Haiwo Gangqiang Venture Capital Partnership is owned as to 89.7010% by Mr. Chen Qijie (as limited partner), 6.6445% by Mr. Zeng Junyang (as limited partner), 3.3223% by Mr. Li Pengfei (as limited partner) and 0.3322% by Haiwo Shiteng (Xiamen) Private Equity Fund Management Co., Ltd.* (海沃世騰(廈門)私募基金管理有限公司) (as general partner). Haiwo Shiteng (Xiamen) Private Equity Fund Management Co., Ltd. is owned as to 60% by Mr. Chen Qijie, 15% by Mr. Li Pengfei, 15% by Mr. Zeng Junyang and 10% by Shanghai Smallville Assets Management Co., Ltd. (上海小村資產管理有限公司) (“**Shanghai Smallville**”).

Wuhu Simowei'er is wholly owned by Shanghai Smallville. Shanghai Smallville is owned as to 29.21% by Mr. Feng Huawei, the single largest shareholder who has beneficial control over Shanghai Smallville.

YOFC Advanced Semiconductor

YOFC Advanced Semiconductor is a limited company established in the PRC on January 31, 2018. It is mainly engaged in the process R&D and manufacture of third-generation semiconductor products represented by silicon carbide (SiC) and gallium nitride (GaN). Its principal business includes epitaxy of silicon carbide and gallium nitride, related wafer manufacturing such as third-generation semiconductor power and radio frequency, the R&D, manufacture and sales of the whole industry chain, such as power modules and power single tube packaging and testing. YOFC Advanced Semiconductor procures relevant compound semiconductor substrates, which are epitaxially grown into epitaxial wafers through epitaxial furnaces, which are then processed into wafer relating to power and radio frequency through steps such as lithography and etching according to the customer needs, and manufactured into device products through packaging and testing. These third-generation semiconductor device products are mainly used in fields relating to new energy vehicles, communication base stations and photovoltaics. As at the date of this announcement, YOFC Advanced Semiconductor is owned as to approximately 30.0511% by the Company, 17.0423% by Yuehai No. 2, 13.5305% by THZ Investment Centre, 11.2754% by THZ Investment Fund, 4.5424% by Wuhu Haiwo, 3.7853% by Hangzhou Dahe, 3.7853% by YOFC Science & Innovation Fund, 3.7853% by Shenhe Investment, 3.4068% by Yuehai No. 1, 3.4068% by Jiaxing Linlan, 1.8927% by Wuhu Zewan No. 2, 1.5142% by Optics Valley Industry Investment, 0.9842% by Penghui Venture Capital, 0.4678% by Wuhu Construction, 0.2839% by Shanghai Linjun and 0.2640% by Qingyuanxin Investment.

Set out below is certain audited financial information of YOFC Advanced Semiconductor for the two financial years ended December 31, 2021 and 2022 prepared in accordance with the China Standards on Auditing:

	For the year ended December 31,	
	2021	2022
	<i>RMB (Audited)</i>	
Revenue	135,609,034.25	117,981,553.39
Net profit or (loss) before taxation	16,854,776.90	(106,956,420.43)
Net profit or (loss) after taxation	16,854,776.90	(101,730,298.21)

Saved as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each counterparty of the Series A Capital Increase Agreement, the Wuhu Haiwo Equity Transfer Agreement and the Wuhu Zewan No. 2 Equity Transfer Agreement and its ultimate beneficial owner is an Independent Third Party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SERIES A CAPITAL INCREASE AGREEMENT AND THE SERIES A EQUITY TRANSFER AGREEMENTS

The market of third generation semiconductors is prosperous in the mobile communication industry relating to the Group's principal business and the new energy vehicles ("NEVs") industry. YOFC Advanced Semiconductor is principally engaged in R&D and original equipment manufacture of third-generation semiconductors with specialized foundry production capabilities and technology R&D capabilities in relation to epitaxial production of semiconductor materials, manufacture of chips and devices, as well as module packaging test. At present, the market for NEVs continues to thrive and has made rapid development, stimulating the demand from major NEVs manufactures for manufacturing supplies and component parts of NEVs. The Series A Equity Transactions aims to expand the Group's production capacities to match customer demands and accelerate the Group's R&D capabilities for the development of next-generation products. Further investments in the semiconductor business of YOFC Advanced Semiconductor through the Series A Equity Transactions will be used for the investment in third generation semiconductor power device project projects to foster business growth.

The Board is of the view that the YOFC Advanced Semiconductor Valuation Report has been made after due and careful enquiry and its conclusion is reasonable. The bases, assumptions and restrictive conditions of the valuation follow the relevant PRC regulations and requirements and comply with the market practice or standards, and are in line with the actual situation of YOFC Advanced Semiconductor, hence it is believed that the bases and assumptions of the valuation are reasonable.

The Directors (including the independent non-executive Directors) are of the view that the Series A Capital Increase and the Series A Equity Transfer Transactions are entered into in the ordinary and usual course of business of the Group after arm's length negotiation between the Group and the relevant parties and reflect normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The dilution of the Company's equity interest in YOFC Advanced Semiconductor from 30.0511% to 22.9008% will constitute a deemed disposal of interest in YOFC Advanced Semiconductor under Rule 14.29 of the Listing Rules.

As the Series A Capital Increase Agreement, the Wuhu Haiwo Equity Transfer Agreement and the Wuhu Zewan No. 2 Equity Transfer Agreement were entered into on the same day and the transactions contemplated thereunder involve the acquisition of equity interest in one particular company, the Series A Capital Increase, the Wuhu Haiwo Equity Transfer Transaction and the Wuhu Zewan No. 2 Equity Transfer Transaction shall be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. Since the highest relevant percentage ratios under the Listing Rules in respect of the Series A Capital Increase and the Series A Equity Transfer Transactions, as aggregated, is expected to exceed 5% but is less than 25%, the Series A Capital Increase and the Series A Equity Transfer Transactions constitute discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Series A Equity Transactions do not constitute material assets reorganizations under the Administrative Measures for the Material Assets Reorganizations of Listed Companies promulgated by China Securities Regulatory Commission.

As the completion of the Series A Capital Increase and the Series A Equity Transfer Transactions will be subject to the registration with the relevant authorities, there is no assurance that the completion of the Series A Capital Increase and the Series A Equity Transfer Transactions will take place or as to when it may take place.

As YOFC Advanced 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 YOFC Advanced 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, YOFC Advanced Semiconductor does 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. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares or any other securities of the Company.

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 subscribed for in Renminbi and listed on the Shanghai Stock Exchange (Stock Code: 601869)
“Anhua Innovation”	Anhui Anhua Innovation Venture Capital Fund Co., Ltd. (安徽安華創新風險投資基金有限公司), a limited company incorporated in the PRC on November 30, 2017, being a party to the Series A Capital Increase Agreement
“Articles of Association”	articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baoyue Qicheng”	Nanjing Baoyue Qicheng Zhijia Equity Investment Partnership (Limited Partnership)* (南京寶樾啟承智駕股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 12, 2021, being a party to the Series A Capital Increase Agreement
“Board”	the board of directors of the Company
“China United Assets Appraisal”	China United Assets Appraisal Co., Ltd. (眾聯資產評估有限公司) an independent institution established in the PRC with the qualifications for assets valuation
“CICC Qihe”	Huzhou CICC Qihe Equity Investment Partnership (Limited Partnership)* (湖州中金啟合股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 12, 2021, being a party to the Series A Capital Increase Agreement

“CICC Ruiwei”	Hubei CICC Ruiwei Equity Investment Fund Partnership (L.P.)* (湖北中金瑞為股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on August 15, 2022, being a party to the Series A Capital Increase Agreement
“CICC SAIC”	Suzhou CICC SAIC Emerging Industry Equity Investment Fund Partnership (L.P.)* (蘇州中金上汽新興產業股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on March 11, 2021, being a party to the Series A Capital Increase Agreement
“CICC Zhixing”	CICC Zhixing (Wuhan) Industrial Fund Partnership (Limited Partnership)* (中金知行(武漢)產業基金合夥企業(有限合夥)), a limited partnership established in the PRC on September 11, 2018, being a party to the Series A Capital Increase Agreement
“CNBM New Materials Fund”	CNBM (Anhui) New Materials Industry Investment Fund Partnership (Limited Partnership) (中建材(安徽)新材料產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on August 31, 2021, being a party to the Series A Capital Increase Agreement
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Dongfeng Asset”	Xinzhifeng (Wuhan) Equity Investment Fund Partnership (Limited Partnership)* (信之風(武漢)股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on June 24, 2021, being a party to the Series A Capital Increase Agreement
“Founder Hesheng”	Anhui Hezhuang High and New Technology Achievement Fund Partnership (Limited Partnership)* (安徽和壯高新技術成果基金合夥企業(有限合夥)), a limited partnership established in the PRC on October 21, 2019, being a party to the Series A Capital Increase Agreement
“Fuzhe Fuchuang”	Zhejiang Fuzhe Fuchuang Equity Investment Partnership (Limited Partnership)* (浙江富浙富創股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 28, 2022, being a party to the Series A Capital Increase Agreement

“Fuzhe Zitong”	Hangzhou Fuzhe Zitong Equity Investment Partnership (Limited Partnership)* (杭州富浙資通股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 28, 2022, being a party to the Series A Capital Increase Agreement
“Group”	the Company and its subsidiaries (excluding YOFC Shanghai if and where the context requires)
“Guokong Shiyue”	Anhui Guokong Shiyue Emerging Industry Equity Investment Partnership (Limited Partnership)* (安徽國控十月新興產業股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 8, 2023, being a party to the Series A Capital Increase Agreement
“Guoyuan Innovation”	Guoyuan Innovation Investment Co., Ltd.* (國元創新投資有限公司), a limited company incorporated in the PRC on November 28, 2012, being a party to the Series A Capital Increase Agreement
“Guoyuan Seed Fund”	Wuhu Guoyuan Seed Venture Capital Fund Co., Ltd.* (蕪湖國元種子創業投資基金有限公司), a limited company incorporated in the PRC on October 20, 2020, being a party to the Series A Capital Increase Agreement
“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
“Haijin New Energy”	Jiangsu Haijin New Energy Venture Capital Partnership (Limited Partnership)* (江蘇海金新能源創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 16, 2022, being a party to the Series A Capital Increase Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huiyuan New Energy”	Anhui Huiyuan New Energy Investment Fund Partnership (Limited Partnership)* (安徽徽元新能源產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 9, 2022, being a party to the Series A Capital Increase Agreement
“Independent Shareholders”	has the meaning ascribed to it under the Listing Rules, and in relation to the Company means the Shareholders other than Draka and its associates, or China Huaxin and its associates, as the case may be

“Jianxin Trust”	Jianxin Nanfang Hefei Industrial Fund Limited Partnership (Partnership)* (建新南方合肥產業基金有限合夥(有限合夥)), a limited partnership established in the PRC on May 29, 2023, being a party to the Series A Capital Increase Agreement
“Jiaxing Guoping”	Jiaxing Guoyi Equity Investment Partnership (Limited Partnership)* (嘉興國珏股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 23, 2021, being a party to the Series A Capital Increase Agreement
“Jiaxing Linlan”	Jiaxing Linlan Equity Investment Partnership (Limited Partnership)* (嘉興臨瀾股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 29, 2021, being an existing shareholder of YOFC Advanced Semiconductor
“Jinhua Haitong”	Jinhua Haitong Key Industry Development M & A Investment Partnership (Limited Partnership)* (金華市海通重點產業發展招商併購投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 29, 2022, being a party to the Series A Capital Increase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Luxin Venture Capital”	Yantai Hongxin Venture Capital Partnership (Limited Partnership)* (煙台泓信創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 28, 2023, being a party to the Series A Capital Increase Agreement
“Optics Valley Industry Development Fund”	Wuhan Optics Valley Industry Development Fund Partnership (Limited Partnership)* (武漢光谷產業發展基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 25, 2017, being a party to the Series A Capital Increase Agreement
“Other Existing Shareholders”	including Wuhu Construction, THZ Investment Centre, THZ Investment Fund, Yuehai No. 1 and Yuehai No. 2
“Penghui Venture Capital”	Gongqingcheng Weishi Penghui Venture Capital Partnership (Limited Partnership)* (共青城未石鵬匯創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 14, 2022, being an existing shareholder of YOFC Advanced Semiconductor
“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

“Pre-Series A Investors”	including YOFC Science & Innovation Fund, Shenhe Investment, Hangzhou Dahe, Jiaxing Linlan, Optics Valley Industry Investment, Penghui Venture Capital, Shanghai Linjun and Qingyuanxin Investment
“Qingyuanxin Investment”	Hainan Qingyuanxin Investment Partnership (Limited Partnership)* (海南清源鑫投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 9, 2021, being an existing shareholder of YOFC Advanced Semiconductor
“RMB”	Renminbi, the lawful currency of the PRC
“Series A Capital Increase Agreement”	the capital increase agreement entered into among the Company, YOFC Advanced Semiconductor, the Series A Investors, the Pre-Series A Investors and the Other Existing Shareholders on June 26, 2023 in relation to the Series A Capital Increase
“Series A Capital Increase”	the proposed capital contribution of an aggregate of RMB3,244,000,000 in cash by the Company and the Series A Investors to the registered capital of YOFC Advanced Semiconductor pursuant to the Series A Capital Increase Agreement
“Series A Equity Transactions”	the Series A Capital Increase, the Wuhu Haiwo Equity Transfer Transaction and the Wuhu Zewan No. 2 Equity Transfer Transaction
“Series A Equity Transfer Agreements”	the Wuhu Haiwo Equity Transfer Agreement and the Wuhu Zewan No. 2 Equity Transfer Agreement
“Series A Equity Transfer Transactions”	the Wuhu Haiwo Equity Transfer Transaction and the Wuhu Zewan No. 2 Equity Transfer Transaction
“Series A Investors”	investors (in addition to the Company) who participated in the Series A Capital Increase pursuant to the Series A Capital Increase Agreement, being Optics Valley Industry Development Fund, CNBM New Materials Fund, Jiaxing Guoping, Fuzhe Fuchuang, Fuzhe Zitong, CICC SAIC, YOFC Science & Innovation Fund, CICC Ruiwei, Wanneng Haitong, Luxin Venture Capital, Founder Hesheng, Dongfeng Asset, Anhua Innovation, Jianxin Trust, CICC Zhixing, Huiyuan New Energy, Guokong Shiyue, Haijin New Energy, Zhonghu Zhiyun, Baoyue Qicheng, Shiyue Qianyuan, CICC Qihe, Tianchang Guoyuan Transformation and Upgrading Fund, Jinhua Haitong, Tianxing Tongxin, Yunlang Xiutong, Shandong High and New Technology Venture Capital, Guoyuan Seed Fund and Guoyuan Innovation

“Series A Shareholders’ Agreement”	the shareholders’ agreement entered into among the Company, the Series A Investors, the Pre-Series A Investors, the Other Existing Shareholders and YOFC Advanced Semiconductor on June 26, 2023
“Shandong High and New Technology Venture Capital”	Shandong High and New Technology Venture Capital Co., Ltd.* (山東省高新技術創業投資有限公司), a limited company incorporated in the PRC on June 16, 2000, being a party to the Series A Capital Increase Agreement
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Share(s)”	A Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Shiyue Qianyuan”	Fujian Jinjiang Shiyue Qianyuan Equity Investment Partnership (Limited Partnership)* (福建晉江十月乾元股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 30, 2022, being a party to the Series A Capital Increase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Tianchang Guoyuan Transformation and Upgrading Fund”	Tianchang Guoyuan Industrial Transformation and Upgrading Fund Co., Ltd.* (天長國元產業轉型升級基金有限公司), a limited company incorporated in the PRC on April 28, 2023, being a party to the Series A Capital Increase Agreement
“Tianxing Tongxin”	Gongqingcheng Tianxing Tongxin Venture Capital Partnership (Limited Partnership)* (共青城天興同芯創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on February 9, 2023, being a party to the Series A Capital Increase Agreement
“Wanneng Haitong”	Anhui Wanneng Haitong Dual Carbon Industry M & A Investment Fund Partnership (Limited Partnership) (安徽省皖能海通雙碳產業併購投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 30, 2021, being a party to the Series A Capital Increase Agreement

“Wuhu Haiwo”	Wuhu Haiwo Hard Technology Venture Capital Fund Partnership (Limited Partnership)* (蕪湖海沃硬科技創業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on March 3, 2022, being a party to the Wuhu Haiwo Equity Transfer Agreement
“Wuhu Haiwo Equity Transfer Agreement”	the equity agreement entered into between the Company and Wuhu Haiwo on June 26, 2023 in relation to the Wuhu Haiwo Equity Transfer Transaction
“Wuhu Haiwo Equity Transfer Transaction”	the equity transfer transaction contemplated under the Wuhu Haiwo Equity Transfer Agreement, pursuant to which Wuhu Haiwo agreed to sell and the Company agreed to purchase the entire equity interest of Wuhu Haiwo in YOFC Advanced Semiconductor at a proposed consideration of RMB154,441,600
“Wuhu Zewan No. 2”	Wuhu Zewan No. 2 Investment Management Partnership (Limited Partnership)* (蕪湖澤灣貳號投資管理合夥企業(有限合夥)), being a limited partnership established in the PRC on December 6, 2021, being a party to the Wuhu Zewan No. 2 Equity Transfer Agreement
“Wuhu Zewan No. 2 Equity Transfer Agreement”	the equity agreement entered into between the Company and Wuhu Zewan No. 2 on June 26, 2023 in relation to the Wuhu Zewan No. 2 Equity Transfer Transaction
“Wuhu Zewan No. 2 Equity Transfer Transaction”	the equity transfer transaction contemplated under the Wuhu Zewan No. 2 Equity Transfer Agreement, pursuant to which Wuhu Zewan No. 2 agreed to sell and the Company agreed to purchase the entire equity interest of Wuhu Zewan No. 2 in YOFC Advanced Semiconductor at a proposed consideration of RMB64,350,700
“YOFC Advanced Semiconductor”	Anhui YOFC Advanced Semiconductor Company Limited (安徽長飛先進半導體有限公司) (formerly known as Wuhu Tus Semiconductor Co., Ltd.* (蕪湖啟迪半導體有限公司)), a limited company established in the PRC on January 31, 2018
“YOFC Advanced Semiconductor Valuation Report”	the valuation report of YOFC Advanced Semiconductor dated April 28, 2023 and issued by China United Assets Appraisal
“YOFC Science & Innovation Fund”	Wuhan YOFC Science & Innovation Industry Fund Partnership (LP)* (武漢長飛科創產業基金合夥企業(有限合夥)), a limited partnership established in the PRC on April 16, 2021, being a party to the Series A Capital Increase Agreement and an existing shareholder of YOFC Advanced Semiconductor

“Yuehai No. 1”	Wuhan Yuehai No. 1 Enterprise Management Partnership (Limited Partnership)* (武漢月海一號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on February 9, 2023, being an existing shareholder of YOFC Advanced Semiconductor
“Yuehai No. 2”	Wuhan Yuehai No. 2 Enterprise Management Partnership (Limited Partnership)* (武漢月海二號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 11, 2023, being an existing shareholder of YOFC Advanced Semiconductor
“Yunlang Xiutong”	Jiaxing Yunlang Xiutong Venture Capital Partnership (Limited Partnership)* (嘉興雲朗岫通創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 21, 2023, being a party to the Series A Capital Increase Agreement and a shareholder of YOFC Advanced Semiconductor
“Zhonghu Zhiyun”	Zhonghu Zhiyun (Tianjin) Intelligent Technology Partnership (Limited Partnership)* (中互智雲(天津)智慧科技合夥企業(有限合夥)), a limited partnership established in the PRC on November 8, 2022, being a party to the Series A Capital Increase Agreement
“%”	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, June 26, 2023

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