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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)

ANNOUNCEMENT ON RECEIPT OF GOVERNMENT GRANTS

1. BASIC INFORMATION ON RECEIPT OF GRANTS

Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (hereinafter referred to as the “**Company**”) and its subsidiaries received accumulated government grants amounting to RMB195,877,602.02 in total during the period from 1 January 2020 to 30 December 2020. The main grants are as follows:

Names of the Company and the subsidiaries controlled by it	Items of the grant or reason thereof	Amount of the grant (RMB)	Date of receiving notice of disbursement or the grant	Basis of receiving the grant	Type of the grant
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for five-year development	82,251,805.00	30 December 2020	Cooperation Agreement	Related to income/ Related to assets
Yangtze Optic Fibre (Qianjiang) Co., Ltd.	Smart manufacturing project	45,000,000.00	19 March 2020	E Jingxin Jixie Han No.[2016]298 (鄂經信機械函[2016]298號)	Related to assets
Yangtze Optic Fibre (Qianjiang) Co., Ltd.	Plant construction subsidy	11,670,000.00	30 September 2020	Jiang Hua Guan No. [2017]5 (江化管文[2017]5號)	Related to assets
EverPro Technologies Company Limited	Special grants for industrial investment and technology improvement	9,940,000.00	3 July 2020	Initiation notice for 2019 Wuhan smart industrialization demonstration project application	Related to assets
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for key national R&D project	4,000,000.00	24 April 2020	Project assignment	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for trading development	3,000,000.00	4 August 2020	Subsidy application form	Related to income

Names of the Company and the subsidiaries controlled by it	Items of the grant or reason thereof	Amount of the grant (RMB)	Date of receiving notice of disbursement or the grant	Basis of receiving the grant	Type of the grant
Ally First Optical Fibre and Cable Co., Ltd	Manufacturing corporation technology innovation	2,941,000.00	1 September 2020	Lin Jingxin Zong No.[2020]82 (臨經信綜[2020]82號)	Related to assets
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Employment stability subsidy	2,426,178.00	22 December 2020	Guidance for employment stability	Related to income
EverPro Technologies Company Limited	Special grants for high quality development	2,280,000.00	14 April 2020	2016 industrial strengthening foundation engineering contract	Related to assets
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for key national major science project	2,062,600.00	31 July 2020	Application notice	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special finance grants for key national major science project	1,717,400.00	10 July 2020	Project contract	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Employment stability subsidy	1,637,900.00	13 March 2020	E Renshe Fa No. [2019]30 (鄂人社發[2019]30號)	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for key national R&D project	1,622,500.00	13 July 2020	Project application	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for key national R&D project	1,277,500.00	27 October 2020	Guo Ke Gao Fa Cai Zi No. [2020]11 (國科高發財字[2020]11號)	Related to income
Yangtze Optic Fibre (Qianjiang) Co., Ltd.	Hydrogen price compensation	1,161,002.00	12 August 2020	Raw material framework contract	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for employment structural adjustment	1,135,000.00	2 September 2020	Special grants notice	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for key national R&D project	1,080,000.00	29 October 2020	Project assignment	Related to income
Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Special grants for trading development	1,000,000.00	5 August 2020	Notice for grants application	Related to income

Names of the Company and the subsidiaries controlled by it	Items of the grant or reason thereof	Amount of the grant (RMB)	Date of receiving notice of disbursement or the grant	Basis of receiving the grant	Type of the grant
Others <i>(Note)</i>	–	19,674,717.02	–	–	Related to income/ Related to assets
Total	–	195,877,602.02	–	–	–

Note: The item “Others” constitutes several grants and the amount for each grant is below RMB1 million.

2. TYPES OF GRANTS

The Company confirmed the above matters and determined the types of grants according to the Accounting Standards for Business Enterprises No.16 – Government Grants.

Among the above-mentioned government grants of RMB195,877,602.02, the government grants relating to income amounted to RMB111,535,043.80, accounting for 13.92% of the Company’s audited net profit attributable to shareholders of the parent company for the latest financial year; the government grants relating to assets amounted to RMB84,342,558.22, accounting for 0.61% and 0.94% of the Company’s latest audited total assets and net assets, respectively.

3. IMPACT OF GRANTS ON THE COMPANY

Government grants relating to income are directly included in the profit or loss for the current period or are used to offset the relevant cost or expenses incurred. Government grants relating to assets are recognized as deferred income. The specific accounting treatment shall be subject to the audit report to be issued by the auditors after the completion of the Company’s annual audit work. Investors are advised to be cautious about investment risks.

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, 31 December 2020

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