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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 AND CONNECTED TRANSACTION ACQUISITION OF ENTIRE EQUITY INTEREST IN RADIO FREQUENCY SYSTEMS GMBH AND RADIO FREQUENCY SYSTEMS (SUZHOU) CO., LTD.**

On August 1, 2023 (Central European Time), the Company and YOFC Germany (an indirectly wholly-owned subsidiary of the Company) entered into the Share Purchase Agreement with RFS Holding, pursuant to which RFS Holding conditionally agreed to sell, and (i) YOFC Germany conditionally agreed to purchase the entire equity interest in RFS Germany; and (ii) the Company conditionally agreed to purchase the entire equity interest in RFS Suzhou, at the Consideration of an amount equal to the Base Consideration of EUR7,100,000 after application of adjustments, in accordance with the terms and conditions of the Share Purchase Agreement. Upon Closing, RFS Germany and RFS Suzhou will be wholly-owned by the Company and their financial results will be consolidated into the Group's financial statements.

#### **LISTING RULES IMPLICATIONS**

Since the one or more of the applicable percentage ratios under the Listing Rules in respect of the Cable Business Acquisition exceeds 5% but are all less than 25%, the Cable Business Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, RFS Holding is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules by virtue of the fact that (i) RFS Holding is owned as to 100% by Nokia Shanghai, (ii) Nokia Shanghai is owned as to 49.99% by China Huaxin and 50.01% by independent third parties, and (iii) China Huaxin holds approximately 23.73% of the total issued share capital of the Company and is therefore a substantial shareholder of the Company. Accordingly, the transactions contemplated under the Share Purchase Agreement constitute connected transactions of the Company under the Listing Rules. As one or more of the applicable percentage ratios with respect to the Cable Business Acquisition exceeds 5%, the Cable Business Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

\* For identification purposes only

The Company will seek approval for the terms of the Share Purchase Agreement and the transactions contemplated thereunder from the Independent Shareholders at the EGM. In accordance with the Listing Rules, China Huaxin and its associates, being connected persons of the Company, will abstain from voting on the ordinary resolutions to approve the Share Purchase Agreement and the Cable Business Acquisition at the EGM. Save for China Huaxin, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Share Purchase Agreement which is different from the other Shareholders.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Share Purchase Agreement and the transactions contemplated thereunder. In this respect, an independent financial adviser to the Independent Board Committee and the Independent Shareholders will be appointed.

A circular containing, among others, further information on (1) information on the Cable Business Acquisition, (2) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations, and (3) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders is expected to be dispatched to the Shareholders on or before August 23, 2023.

**As the Closing will be subject to the approval from and registration requirements of the relevant authorities in and outside the PRC, and thus, the Closing may be subject to delay, alteration, suspension or termination.**

**The operating results of RFS Germany and RFS Suzhou may be affected by various factors such as macroeconomic policies, economic cycles and market competition, hence there are uncertainties and operational risks that the business integration between the Group and the Target Group Companies and the actual business operation post-Closing may not materialize as expected. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares or any other securities of the Company.**

## **THE SHARE PURCHASE AGREEMENT**

### **The Principal Terms of the Share Purchase Agreement**

#### ***Date***

August 1, 2023 (Central European Time)

#### ***Parties***

- (1) the Company and YOFC Germany (an indirectly wholly-owned subsidiary of the Company), as the purchasers (the “**Purchasers**”)
- (2) RFS Holding, as the seller (the “**Seller**”)

## ***Subject matter***

Pursuant to the Share Purchase Agreement, RFS Holding conditionally agreed to sell, and (i) YOFC Germany conditionally agreed to purchase the entire equity interest in RFS Germany; and (ii) the Company conditionally agreed to purchase the entire equity interest in RFS Suzhou, at the Consideration of an amount equal to the Base Consideration of EUR7,100,000 after application of adjustments, in accordance with the terms and conditions of the Share Purchase Agreement. Upon Closing, RFS Germany and RFS Suzhou will be wholly-owned by the Company.

## ***Consideration***

### **Base Consideration**

The base consideration for the Cable Business Acquisition payable by the Company and YOFC Germany under the Share Purchase Agreement is EUR7,100,000 (the “**Base Consideration**”).

### **Adjustment to the Base Consideration**

The total Consideration payable by the Company and YOFC Germany to RFS Holding for the Cable Business Acquisition shall be determined according to the following price adjustment mechanism (the “**Price Adjustment Mechanism**”):

The total Consideration = A + B – C + D – E – F – G

where:

A = the Base Consideration, being EUR7,100,000.

B = the aggregate amount of cash and cash equivalents of the Target Group Companies as per the Share Purchase Agreement, if any, on the Closing Date.

C = the aggregate amount of financial debt obligations (including interest accrued, if any) of the Target Group Companies as per the Share Purchase Agreement, if any, on the Closing Date.

D = the balance sheet items of the Target Group Companies which are to remain economically with RFS Holding and to be taken into account as increase items as per the Share Purchase Agreement on the Closing Date (being the aggregate of accounts receivable and other receivable) (the “**Balance Sheet Increase Items**”).

E = the balance sheet items of the Target Group Companies which are to remain economically with RFS Holding and to be taken into account as deductibles as per the Share Purchase Agreement on the Closing Date (being the aggregate of accounts payable and other payable) (the “**Balance Sheet Deductible Items**”).

F = EUR34,200,000 less the total net inventory value of the Target Group Companies (after inter-company elimination) as per the Share Purchase Agreement on the Closing Date.

G = the amount of Cash Pool Payable as per the Share Purchase Agreement on the Closing Date.

## ***Payment arrangement***

At least five Business Days prior to the Closing, RFS Holding shall provide the Purchasers with a good faith estimate of the Consideration (after adjustment, the “**Estimated Closing Payable**”) together with the underlying supporting documentations.

If the Estimated Closing Payable is positive, an amount of 50% of the Estimated Closing Payable (which shall not exceed EUR1,500,000) shall be paid by the Purchasers to an escrow account as set out in the Share Purchase Agreement, and the remaining amount of the Estimated Closing Payable shall be paid by the Purchasers to the Seller on the Closing Date. If the Estimated Closing Payable is negative, the Seller shall pay to the Company the absolute value of the Estimated Closing Payable on the Closing Date.

Within three months after the Closing Date, the Purchasers shall provide the Seller with (i) the accounts of Target Group Companies as of the Closing Date prepared in accordance with the International Financial Reporting Standards and relevant terms as stipulated in the Share Purchase Agreement and (ii) the Consideration and the basis of calculation (the “**Purchase Price Calculation**”). The Consideration will be binding upon the parties to the Share Purchase Agreement if the Seller does not raise an objection in writing within 30 days of receiving the Purchase Price Calculation.

Within ten business days which the Consideration has become binding, if the Consideration exceeds the Estimated Closing Payable, such difference shall be paid by the Purchasers to the Seller; if the Consideration falls short of the Estimated Closing Payable, such difference shall be paid by the Seller to the Company.

The Company hired intermediary agencies to perform adequate due diligence on the Target Group Companies. The Consideration was determined through arm’s length negotiations between the parties to the Share Purchase Agreement with reference to (i) the earning before interest, taxation, depreciation and amortization (EBITDA) multiples of comparable companies, (ii) the prospects of business of the Target Group Companies and (iii) the business expansion plan of the Target Group Companies. The Directors consider the Consideration payable under the Share Purchase Agreement to be fair and reasonable and on normal commercial terms. The Consideration shall be settled in cash funded by the Group’s internal resources.

## ***Conditions to Closing***

The Closing shall occur on the last calendar day of the month on which the conditions to Closing set forth in the Share Purchase Agreement (the “**Closing Conditions**”) are being satisfied or waived by the Purchasers, whichever is earlier, or at any other time or place that the parties to the Share Purchase Agreement may mutually agree. The Closing Conditions are, inter alia:

- (i) the obtaining of the foreign direct investment clearance certificate from the German Federal Ministry for Economic Affairs and Climate Action (“**BMWi**”) for the equity transfer under the Share Purchase Agreement by the Company, or the BMWi raise no prohibition against the Cable Business Acquisition during the review period thereto, and the obtaining of the foreign direct investment approval from the Australian Foreign Investment Review Board;
- (ii) the obtaining of merger control clearance from relevant merger control institution;

- (iii) the Cable Business Acquisition having been approved by the Independent Shareholders at the EGM; and
- (iv) the settlement of the entire pension liabilities of RFS Germany pertaining to eligible employees in accordance with the trust arrangement set forth in the Share Purchase Agreement by the Seller.

### ***Right of Withdrawal***

The parties have the right to withdraw from the Share Purchase Agreement (the “**Right of Withdrawal**”) under the following circumstances:

- (i) in the event that the Closing Conditions are not satisfied within five months after the date on which the Share Purchase Agreement was entered into by the parties thereto (the “**Long Stop Date**”), or it is ascertained that the Closing Conditions cannot be fulfilled, each party may withdraw from the Share Purchase Agreement without observing the prescribed notice period.
- (ii) the Purchasers may withdraw from the Share Purchase Agreement without observing the prescribed notice period if:
  - (a) the terms of the Share Purchase Agreement and the transactions contemplated thereunder have not been approved by the Independent Shareholders at the EGM; or
  - (b) any of the Target Group Companies or any third party has filed for a winding-up procedure against the Target Group Companies.
- (iii) in the event that the Closing Conditions are not satisfied due to the failure of any party to the Share Purchase Agreement, the party at fault shall not be entitled to withdraw from the Share Purchase Agreement.
- (iv) the parties to the Share Purchase Agreement shall not be entitled to the Right of Withdrawal under the following circumstances:
  - (a) within the last 30 days before the Long Stop Date, if a conditional foreign direct investment decision or prohibition from the relevant authority (the “**Conditional FDI Decision or Prohibition**”) has been issued, and the parties are in the course of discussion in relation to, inter alia, (x) the appropriate remedies and adjustment to be made for completing the Cable Business Acquisition and (y) the possible waiver to the Closing Conditions for the continuation of the transaction thereof; and
  - (b) during the relevant time period but in any event not later than July 31, 2024, the parties lodge an appeal against the Conditional FDI Decision or Prohibition, or the parties implement any mutually agreed remedial actions, including but not limited to the actions mentioned in paragraph (iv)(a) above.
- (v) The Right of Withdrawal may be exercised by the respective parties by serving a notice of withdrawal to the other party prior to the fulfilment of all Closing Conditions.

- (vi) In the event that a party exercises the Right of Withdrawal pursuant to the term(s) of the Share Purchase Agreement, none of the parties shall have any rights to claim against the other party, or shall have any obligations towards the other party (other than the obligations of confidentiality and other obligations in conformity with the relevant provisions of the Share Purchase Agreement, which shall survive after the termination thereof).
- (vii) Failure of the parties to exercise the Right of Withdrawal shall under no circumstances be deemed to constitute a waiver of any other Right of Withdrawal that the parties are entitled to or may have under or in connection with the Share Purchase Agreement.

### ***Closing***

Subject to the fulfillment of the Closing Conditions (or waived by the Purchasers), the Closing shall take place on the Closing Date at the place mutually agreed by the Seller and the Purchasers in writing pursuant to the Share Purchase Agreement.

Upon the completion of Closing, RFS Germany and RFS Suzhou will become wholly-owned subsidiaries of the Company and their financial results will be consolidated into the Group's financial statements.

### **REASONS FOR AND BENEFITS OF THE CABLE BUSINESS ACQUISITION**

The Group is a leading global telecommunications cable manufacturer, it is principally engaged in the manufacture and sales of optical fibre preforms, optical fibres and optical fibre cables with various standards and specifications, as well as customized optical fibres and cables, optical devices and modules, active optical cables, submarine cables, coaxial cables and other ancillary products and accessories. In recent years, the Group has been actively expanding the application of its products in different fields including rail transit and base stations, and has been able to offer a full range of related products and comprehensive solutions.

RFS Germany and RFS Suzhou specialized in the manufacturing of power cables including radiofrequency cables, leaky cables and hybrid cables, which can be applied in fields such as railway transportation and base station networking. In particular, the Group expects to be benefited from the independent research and development, mature product technologies and innovation capabilities of the Target Group Companies, including their pre-existing intellectual property rights. The improvements in process technology and product development which is anticipated to be fostered by the business integration will promote product diversification and add value to the asset portfolio of the Group, and thereby improve the profit level of the power cable business. The expansion of product portfolio after the Cable Business Acquisition is expected to encourage cross-selling of lateral products, which shall serve additional and complementary needs that are unfulfilled by the product categories initially offered by the Target Group Companies and the Group, to their respective customers.

The Target Group Companies are equipped with well-developed production facilities that are managed by professional management team and operated by experienced production units. The Group has been expanding its power cable business rapidly, through the Cable Business Acquisition, the consolidation of production resources will improve the overall operational efficiency for serving the enlarged customer base. The Group can also utilize the manufacturing know-how and patents owned by the Target Group Companies, as such, the business integration will enable the Group to optimize its production capacity in power cable manufacturing with the accumulated skills and experiences possessed by the Target Group Companies.

Additional to production layout upgrades, the Target Group Companies have a strong level of brand awareness among its customer and have developed a solid customer base in the international market (especially in Europe, Middle East and Africa) that is not served by the Group. Currently, the major customers of the Group are based in the PRC, leveraged on the geographical reach of the Target Group Companies, the Cable Business Acquisition will unfold business opportunities in new international markets while bringing diversity to existing customers of the Group.

It is expected that the Cable Business Acquisition will improve profitability and the sale of relevant products in new and existing markets, which will lead to further growth of the Group's revenue in other segments.

The management has been leading the Group strategically towards diversification and internationalization, the Cable Business Acquisition is in line with such strategic development plan and will establish asset complementarity and allow the realization of synergies, which is favorable for the expansion of the Group's business in target markets. In conjunction with the scale effect, the Group will be able to improve the overall profit level and increase its domestic brand exposure and global customer reach by making full use of the resources of the Target Group Companies (including but not limited to research and development advantages and intellectual property achievements) throughout its operation.

### **Directors' Views**

The Directors (including the independent non-executive Directors but excluding Mr. Ma Jie and Mr. Guo Tao who have abstained from voting) are of the view that the Share Purchase Agreement was entered into in the ordinary and usual course of business of the Company and consider that the terms of the Share Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Independent Board Committee will form their views in respect of the terms of the Share Purchase Agreement and the Cable Business Acquisition after receiving advice from the independent financial adviser.

None of the Directors has any material interest in or is required to abstain from voting on the Board resolution in relation to the aforementioned transactions with RFS Holding, except for Mr. Ma Jie and Mr. Guo Tao. Mr. Ma Jie is the director and general manager of China Huaxin. He also holds a number of positions in several subsidiaries of China Huaxin. Mr. Ma Jie is also a director of Nokia Shanghai. Mr. Guo Tao is the deputy general manager and secretary to the board of directors of China Huaxin, and holds non-senior management position in Nokia Shanghai.

## **INFORMATION OF THE PURCHASERS**

### **The Company**

The Company 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 Germany

YOFC Germany is an investment holding company. YOFC Germany is owned as to 100% by YOFC International (Singapore) Pte. Ltd, a wholly-owned subsidiary of Yangtze Optical Fibre and Cable Company (Hong Kong) Limited. Yangtze Optical Fibre and Cable Company (Hong Kong) Limited is a wholly-owned subsidiary of the Company.

## INFORMATION OF THE SELLER

RFS Holding is a company with limited liability incorporated in Germany and is an investment holding company. As at the date of this announcement, RFS Holding is a wholly-owned subsidiary of Nokia Shanghai. Nokia Shanghai is owned as to 49.99% by China Huaxin and 50.01% by independent third parties. China Huaxin is a substantial shareholder of the Company holding approximately 23.73% of the total issued share capital of the Company.

## INFORMATION OF THE TARGET GROUP COMPANIES

RFS Germany is a company with limited liability incorporated in Germany and is principally engaged in the development and production of power cables for sales through its subsidiaries across Europe, Middle East and Africa. Its products include a wide range of power cables including radiofrequency cable, leaky cable and hybrid cable. These power cables are mainly used in areas such as in-tunnel traffic, broadcasting, outdoor and in-building communications and network. As at the date of this announcement, RFS Germany is owned as to 100% by RFS Holding and the sales team and research and development team of the Target Group Companies are mainly based in Germany.

RFS Suzhou is a limited liability company incorporated in the PRC. RFS Suzhou is principally engaged in the manufacturing of networking equipment for the base stations supporting third-generation and next generation mobile communication system and other connectivity systems for the Asia-Pacific market, as well as providing wide range of other related services and technical support. As at the date of this announcement, RFS Suzhou is owned as to 100% by RFS Holding and mainly acted as the production base for the Target Group Companies.

Set out below is a summary of the audited consolidated financial information of RFS Germany and its subsidiaries for the two financial years ended December 31, 2022:

### RFS Germany

	For the year ended December 31,	
	2021	2022
	(EUR '000)	(EUR '000)
Revenue	80,004	96,374
Net profit or (loss) before taxation <i>(Note 1)</i>	(8,429)	(42,928)
Net profit or (loss) after taxation <i>(Note 1)</i>	(8,429)	(42,928)

The audited total asset value and net assets of the RFS Germany as at December 31, 2022 were approximately EUR123.8 million and EUR100.0 million, respectively.

Set out below is a summary of the audited consolidated financial information of RFS Suzhou for the two financial years ended December 31, 2022:

## RFS Suzhou

	For the year ended December 31,	
	2021	2022
	(RMB'000)	(RMB'000)
Revenue	710,222	529,698
Net profit or (loss) before taxation	(37,888)	(17,665)
Net profit or (loss) after taxation	(39,474)	(21,113)

The audited total asset value and net assets of the RFS Suzhou as at December 31, 2022 were approximately RMB462.9 million and RMB43.7 million, respectively.

### Note:

1. RFS Germany recorded a relatively high net loss for the financial year ended December 31, 2022, mainly due to one-off asset impairment, non-operating expenses accrued for the year and the impact of price fluctuations in raw materials.
2. The Target Group Companies had undergone reorganization to carve out businesses that are unrelated to the Cable Business Acquisition, which was completed in May 2023. For illustration purpose, (i) the revenue and operating loss of the Target Group Companies which fall within the scope of the Cable Business Acquisition for the financial year ended December 31, 2022, after taking into account the related party transactions between RFS Germany and RFS Suzhou, were approximately EUR96.8 million and EUR4.1 million, respectively; (ii) the revenue and operating loss of the Target Group Companies which fall within the scope of the Cable Business Acquisition for the six months ended June 30, 2023 were approximately EUR41.6 million and EUR3.1 million, respectively; and (iii) the net assets of the Target Group Companies which fall within the scope of the Cable Business Acquisition as of June 30, 2023 was approximately EUR18.3 million.

## LISTING RULES IMPLICATIONS

Since the one or more of the applicable percentage ratios under the Listing Rules in respect of the Cable Business Acquisition exceeds 5% but are all less than 25%, the Cable Business Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, RFS Holding is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules by virtue of the fact that (i) RFS Holding is owned as to 100% by Nokia Shanghai, (ii) Nokia Shanghai is owned as to 49.99% by China Huaxin and 50.01% by independent third parties, and (iii) China Huaxin is a substantial shareholder of the Company who holds approximately 23.73% of the total issued share capital of the Company. Accordingly, the transactions contemplated under the Share Purchase Agreement constitute connected transactions of the Company under the Listing Rules. As one or more of the applicable percentage ratios with respect to the Cable Business Acquisition exceeds 5%, the Cable Business Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will seek approval for the Share Purchase Agreement and the transactions contemplated thereunder from the Independent Shareholders at the EGM. In accordance with the Listing Rules, China Huaxin and its associates, being connected persons of the Company, will abstain from voting on the ordinary resolutions to approve the Share Purchase Agreement and the Cable Business Acquisition at the EGM. Save for China Huaxin, as at the date of this announcement, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting thereat as no other Shareholder has any interest in the Share Purchase Agreement which is different from the other Shareholders.

## GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Share Purchase Agreement and the transactions contemplated thereunder. In this respect, an independent financial adviser to the Independent Board Committee and the Independent Shareholders will be appointed.

A circular containing, among others, further information on (1) information on the Cable Business Acquisition, (2) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendations, and (3) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders is expected to be dispatched to the Shareholders on or before August 23, 2023.

**As the Closing will be subject to the approval from and registration requirements of the relevant authorities in and outside the PRC, and thus, the Closing may be subject to delay, alteration, suspension or termination.**

**The operating results of RFS Germany and RFS Suzhou may be affected by various factors such as macroeconomic policies, economic cycles and market competition, hence there are uncertainties and operational risks that the business integration between the Group and the Target Group Companies and the actual business operation post-Closing may not materialize as expected. 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)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Assumed Cash Pool Liabilities”	such amount of Cash Pool Liabilities as of the Closing Date to be assumed by the Company, but in any case, not exceeding an amount of EUR43,000,000
“Board”	the board of directors of the Company

“Business Day(s)”	any days other than Saturdays, Sundays and public holidays, in each case in Hannover, Germany
“Cable Business Acquisition”	the acquisitions of the entire equity interest in RFS Germany by YOFC Germany and the acquisition of RFS Suzhou by the Company from RFS Holding pursuant to the Share Purchase Agreement
“Cash Pool Liabilities”	such amount outstanding and owing by the certain Target Group Companies to the Seller under a cash pool system operated by the Seller with its subsidiaries, where such arrangement will be terminated on or before Closing
“Cash Pool Payable”	an amount equal to the Assumed Cash Pool Liabilities payable by the Seller to the Company which is to be set off against the Base Consideration at Closing according to the Price Adjustment Mechanism
“China Huaxin”	China Huaxin Post and Telecom Technologies Co., Ltd. (中國華信郵電科技有限公司), a company established in the PRC on January 21, 1993 and is wholly-owned by China Poly Group Corporation Limited (中國保利集團有限公司). It is a substantial shareholder and a connected person of the Company
“Closing”	the consummation of the Cable Business Acquisition, which shall occur on the last calendar day of the month that the Closing Conditions set forth in the Share Purchase Agreement are being satisfied or waived by the Purchasers, whichever is earlier, or at any other time or place that the parties to the Share Purchase Agreement may mutually agree
“Closing Date”	midnight (24:00 hours, Central European Time) of the day on which the Closing occurs
“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
“Consideration”	the total consideration payable by the Purchasers to the Seller for the Cable Business Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“EGM”	an extraordinary general meeting to be convened by the Company for the purposes of considering and, if thought fit, approving the terms of the Share Purchase Agreement and the transactions contemplated thereunder, including any adjournment thereof
“EUR”	Euro, the lawful currency of the member states of the European Union which from time to time adopt it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union or their succeeding treaties
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong Dollars
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders on the terms of the Share Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	has the meaning ascribed to it under the Listing Rules, and in relation to the Company means the Shareholders other than China Huaxin and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nokia Shanghai”	Nokia Shanghai Bell Co., Ltd. (上海諾基亞貝爾股份有限公司)
“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
“RFS Germany”	Radio Frequency Systems GmbH, a company with limited liability incorporated in Germany and a target company of the Cable Business Acquisition
“RFS Holding”	RFS Holding GmbH, a company with limited liability incorporated in Germany and a wholly-owned subsidiary of Nokia Shanghai

“RFS Suzhou”	Radio Frequency Systems (Suzhou) Co., Ltd.* (安弗施無線射頻系統(蘇州)有限公司), a limited liability company (solely invested by a foreign legal person) incorporated in the PRC and a target company of the Cable Business Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Share(s)”	A Shares and/or H Shares
“Share Purchase Agreement”	the share purchase agreement entered into between the Company, YOFC Germany (an indirectly wholly-owned subsidiary of the Company) and RFS Holding on August 1, 2023 (Central European Time), pursuant to which RFS Holding conditionally agreed to sell, and (i) YOFC Germany conditionally agreed to purchase the entire equity interest in RFS Germany; and (ii) the Company conditionally agreed to purchase the entire equity interest in RFS Suzhou
“Shareholder(s)”	holders of Shares
“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
“Target Group Companies”	RFS Germany, RFS Suzhou and their subsidiaries
“YOFC Germany”	YOFC International (Germany) GmbH, a limited liability company incorporated in Germany and an indirectly wholly-owned subsidiary of the Company
“%”	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, August 2, 2023

*As at the date of this announcement, the Board comprises Mr. Zhuang Dan as executive Director; Mr. Ma Jie, Mr. Guo Tao, Mr. Philippe Claude Vanhille, Mr. Pier Francesco Facchini, Mr. Iuri Longhi, Mr. Xiong Xiangfeng and Mr. Mei Yong, as non-executive Directors; Mr. Bingsheng Teng, Mr. Song Wei, Dr. Wong Tin Yau, Kelvin and Ms. Li Chang'ai, as independent non-executive Directors.*

\* For identification purposes only