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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)

VOLUNTARY ANNOUNCEMENT

PROPOSED ACQUISITION OF 59.1837% EQUITY INTEREST IN PLZ

INTRODUCTION

References are made to (i) the announcement of the Company dated November 10, 2024 in relation to, among others, the proposed acquisition of 59.1837% equity interest in PLZ through share transfer as contemplated under the Framework Agreement, and (ii) the announcement of the Company dated January 2, 2025 in relation to the amendment to the effective period of the Framework Agreement.

The Board is pleased to announce that on March 28, 2025 (Hong Kong Time), the Company (as the purchaser), Ot-Las (a controlled subsidiary of El.En., as the vendor) and El.En. (as the guarantor) entered into the Share Purchase Agreement, pursuant to which, (i) the Company has conditionally agreed to purchase and Ot-Las has conditionally agreed to sell an aggregate of 28,698,288 shares of PLZ (as the Target Company), representing approximately 59.1837% of the total share capital of PLZ immediately after the completion of the Proposed Acquisition, at a consideration of RMB239,959,832 in cash (the PLZ Transfer); and (ii) El.En. agreed to guarantee, as the secondary obligor, the due and punctual performance of all obligations of Ot-Las under the Transaction Documents, including but not limited to the Share Purchase Agreement and the PLZ Shareholder Agreement.

Upon the completion of the PLZ Transfer, the Company will hold an aggregate of 59.1837% of equity interest in PLZ, and therefore, PLZ will become a non-wholly-owned subsidiary of the Company. The proposed PLZ Transfer will therefore result in consolidation of the financial results of PLZ in the consolidated financial statements of the Company.

At the date of this announcement, the Company has not decided whether to proceed with the proposed acquisition of certain equity interest in Cutlite through share transfer and subscription as contemplated under the Framework Agreement (the Cutlite Acquisition). In the event that the Company will proceed with the Cutlite Acquisition in the future, the Company will make further announcement in compliance with relevant laws, regulations and the Listing Rules.

THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are summarised below:

Date

March 28, 2025 (Hong Kong Time)

Parties

- (a) The Company (as the purchaser)
- (b) Ot-Las (as the vendor)
- (c) El.En. (as the guarantor)

Subject Matter and Consideration

Pursuant to the Share Purchase Agreement, (i) the Company has conditionally agreed to acquire and Ot-Las has conditionally agreed to sell an aggregate of 28,698,288 shares of PLZ, representing approximately 59.1837% of the total share capital of PLZ immediately after the completion of the Proposed Acquisition, at a consideration of RMB239,959,832 in cash; and (ii) El.En. agreed to guarantee, as the secondary obligor, the due and punctual performance of all obligations of Ot-Las under the Transaction Documents, including but not limited to the Share Purchase Agreement and the PLZ Shareholder Agreement.

The above consideration was determined based on arm's length negotiation between the parties with reference to the agreed value of the equities of PLZ, being RMB405,449,189, which is determined mainly with reference to the net assets of PLZ for the two years ended December 31, 2024, taking into account the business prospects of the PLZ and the benefits of the Proposed Acquisition would bring to the Group. Details of such benefits of which are set out in the paragraph headed "Reasons for and Benefits of the Proposed Acquisition" below. Pursuant to the Share Purchase Agreement, it is agreed that the consideration for the PLZ Transfer is also subject to a price adjustment mechanism linked to (i) the negative capital gain tax payable by PLZ on the gain of the sale of Cutlite to Ot-Las, (ii) potential damages payable by PLZ in the Baoyuan Case (as defined below), (iii) achievement of the Performance Targets (as defined below) and (iv) the Moke Transfer, details of which are set out in the paragraph headed "Price Adjustment Mechanism" below. The consideration will be settled in cash and funded by the Company's internal resources.

The consideration was reduced by RMB58,740,168 from the initially agreed consideration of RMB298,700,000 as set out the Framework Agreement which is mainly due to consideration of (i) the estimated negative capital gain tax of RMB13,670,000 payable by PLZ on the gain of the sale of Cutlite to Ot-Las and (ii) the estimated damages of RMB40,949,951 payable by PLZ in the Baoyuan Case.

The Directors (including the independent non-executive Directors) consider that the consideration for the PLZ Transfer is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Price Adjustment Mechanism

The above consideration for the PLZ Transfer is subject to a price adjustment mechanism linked to the following:

- (i) if the amount of actual negative capital gain tax paid by PLZ on the gain of the sale of Cutlite to Ot-Las is different from RMB13,670,000 and/or the damages that shall be liable by PLZ in relation to the Baoyuan Case (as defined below) is different from RMB40,949,951, the consideration for the PLZ Transfer shall be adjusted accordingly to reflect such discrepancy. Such adjustment will be applied at the Closing or on a later date, but no later than December 31, 2027;
- (ii) in the event that PLZ fails to achieve any of the Performance Targets (as defined below), Ot-Las shall, and El.En. shall cause Ot-Las to, refund to the Company an amount equivalent to 5% of the consideration paid by the Company for the PLZ Transfer. Details of the Performance Targets are set out in the paragraph headed “Performance Targets” below; and
- (iii) if PLZ fails to complete the Moke Transfer (as defined below) on or prior to the Closing and as a result, PLZ is required to make additional investment of RMB25,000,000 in Moke (as defined below) and such investment amount is later reflected as a loss in the financial statements of PLZ, the Company shall have the right to adjust the consideration for the PLZ Transfer accordingly.

Performance Targets

Ot-Las shall coordinate with PLZ to achieve each of targeted sales revenue and net profits attributable to shareholders of PLZ for (i) the three-year period from January 1, 2025 to December 31, 2027 (“**FY2025-2027**”) and (ii) the one-year period from January 1, 2027 to December 31, 2027 (“**FY2027**”) alone, details of which are set forth below:

	FY2025-2027	FY2027
	<i>(RMB’ million)</i>	<i>(RMB’ million)</i>
Sales revenue	2,913	1,065
Net profits attributable to shareholders	65.5	25.9

Note: for the purpose of this paragraph, (i) all financial data shall be audited according to IFRS by an auditor approved by the Company and Ot-Las, and (ii) for FY2025-2027, any item reflected in the profit and loss statement of PLZ that represents fulfilment by Ot-Las of its indemnification obligations pursuant to the Share Purchase Agreement shall not be deemed as a cost of PLZ for the purpose of calculating PLZ’s net profits attributable to shareholders.

The targeted sales revenue and net profits attributable to shareholders for FY2025-2027 are collectively referred to as “**FY2025-2027 Performance Targets**”. The targeted sales revenue and net profits attributable to shareholders for FY2027 are collectively referred to as “**FY2027 Performance Targets**”. The FY2025-2027 Performance Targets and the FY2027 Performance Targets are collectively referred to as “**Performance Targets**”.

In the event that PLZ fails to achieve any of the Performance Targets, Ot-Las shall, and El.En. shall cause Ot-Las to, refund to the Company an amount equivalent to 5% of the consideration paid by the Company for the PLZ Transfer (the “**Refund**”). Notwithstanding the foregoing, the Company agrees to waive its right to claim against El.En. and Ot-Las for the Refund if (a) PLZ has achieved both of the targeted sales revenue and net profits attributable to shareholders under the FY2027 Performance Targets and the respective amount of the actual sales revenue and the actual net profits attributable to shareholders for the three years of 2025, 2026 and 2027 realized by PLZ shall be no less than 95% of the corresponding FY2025-2027 Performance Targets, or (b) PLZ has achieved the targeted net profits attributable to shareholders under the FY2027 Performance Targets and the FY2025-2027 Performance Targets, and the respective amount of the actual sales revenue for the three years of 2025, 2026 and 2027 as well as for the year of 2027 alone realized by PLZ shall be no less than 95% of the FY2025-2027 Performance Targets and FY2027 Performance Targets, respectively.

Right to Request Purchase

Without prior written consent of the Company prior to the release of the audited financial statements for FY2027 by PLZ, the PLZ Minority Shareholders shall not directly or indirectly sell, lease, transfer, donate, trust, grant, license, mortgage, pledge, lien, transfer with guarantee, entrusted operation and/or in any other way to dispose of the shares of PLZ held by them. On or after the date of release of the financial statements for FY2027 by PLZ, the PLZ Minority Shareholders may have the right to request the Company to purchase all or part of the shares of PLZ held by them by giving the Company a written notice specifying the proposed number of shares of PLZ to be transferred. The Company shall purchase the proposed portion of shares of PLZ from the relevant PLZ Minority Shareholder at a price per share equivalent to 1.05x of the shareholders’ equity value per share of PLZ for FY2027 which shall be audited by an auditor recognized by the Company.

Conditions of the Closing

Unless otherwise waived by the Company in writing, the following conditions shall be fulfilled to the satisfaction of the Company at or prior to the Closing:

- (a) each relevant Group Company, Ot-Las and El.En. shall have complied with by it on or before the Closing and shall have obtained all approvals, consents, waivers and qualifications necessary to complete the Proposed Acquisition;
- (b) all approval of any governmental authority or any person that are required on the part of each relevant Group Company and Ot-Las for the consummation of transactions (including the PLZ Transfer) on or prior to the Closing as contemplated under the Transaction Documents, including waiver by the existing shareholders of PLZ of any anti-dilution rights, rights of first refusal, pre-emptive rights, put or call rights, and other similar rights in connection with the PLZ transfer, if applicable, shall have been obtained and remained effective as of the Closing;

- (c) the Restructuring shall have been completed to the satisfaction of the Company;
- (d) non-compete agreements and employment agreements currently in place for officers, directors, key employees of PLZ will be reviewed by the Company. The Company may, at its sole discretion, revise and update such non-compete and employment agreements based on its retention needs and customary employment standards, as it deemed necessary;
- (e) all applicable approval of the relevant PRC regulatory authorities and their respective local bureaus that are required for (i) the sale of the PLZ shares under the Share Purchase Agreement, and (ii) other matters in connection with the consummation of the Proposed Acquisition shall have been obtained and remained effective as of the Closing;
- (f) PLZ shall have transferred 25% of the equity interest of Zhejiang Moke Laser Intelligent Equipment Co., Ltd.* (浙江摩克激光智能裝備有限公司) (“**Moke**”) (the “**Moke Transfer**”), representing the registered capital of Moke in an amount of RMB25,000,000, along with all associated shareholder’s rights and obligations to a third party and shall have paid up all of the registered capital of Moke held by PLZ after such transfer; and
- (g) other Closing conditions as agreed in the Share Purchase Agreement.

In the event that the Moke Transfer has not been completed prior to the Closing, the Company agrees to waive the Moke Transfer as a condition of the Closing. Notwithstanding anything to the contrary provided in the Share Purchase Agreement or otherwise, PLZ shall have completed the Moke transfer to the satisfaction of the Company by no later than the date that is six months after the date of the Share Purchase Agreement.

Indemnification

Ot-Las shall indemnify the Company, its affiliates and their respective successors and assignees, and, without duplication, the Group Companies and their respective successors and assignees (collectively, the “**Indemnified Parties**”, each, an “**Indemnified Party**”) against and agree to hold each of them harmless from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses in connection with any action, suit or proceeding whether involving a third party claim or a claim solely between the parties to the Share Purchase Agreement and any incidental or indirect damages, losses, liabilities or expenses, provided that the indirect damages, losses, liabilities or expenses shall have been reasonably foreseeable by Ot-Las) (collectively, the “**Damages**”, and any of them a “**Damage**”), incurred or suffered by any of the Indemnified Parties arising out of any misrepresentation or breach of warranty (determined without regard to any qualification or exception contained in therein relating to materiality or material adverse effect or any similar qualification or standard) or breach of covenant or agreement made or to be performed by Ot-Las and/or El.En. pursuant to the Transaction Documents (each such misrepresentation, breach of covenant or agreement made or to be performed and breach of warranty, a “**Warranty Breach**”).

For Damages actually suffered by any Indemnified Party other than the Group Companies, such indemnification amount shall be equal to 100% of the said amount of the Damages; and for Damages actually suffered by any Group Company, such indemnification amount shall be equal to the Company's shareholding percentage, direct or indirect, in such Group Company, of the said amount of the Damages.

The indemnification amount above shall be subject to various limitations, including: (a) no Damages may be claimed by an Indemnified Party other than Damage(s) in excess of EUR10,000 and (b) notwithstanding the foregoing and other limitations set out in the Share Purchase Agreement, absent fraud, intentional misrepresentation and wilful breach by Ot-Las, in case of Damage(s) claimed against Ot-Las resulting from any Warranty Breach, the liability of Ot-Las shall be capped at an amount equal to 10% of the total consideration paid by the Company for the PLZ Transfer (the "**Cap**") (collectively with such other limitations agreed in the Share Purchase Agreement, the "**Limitations**"). In addition, the indemnification amount shall be reduced by (i) the amount of any insurance or similar payment that the Company and/or the Group Companies have received in connection with the event giving rise to indemnification; and (ii) the amount of any provision specifically recorded and accounted for in the financial statements of the Group Companies relating to the circumstance or event giving rise to indemnification.

Notwithstanding anything to the contrary set out in the Share Purchase Agreement (including the Cap), Ot-Las indemnifies each Indemnified Party from and against all Damages (including all reasonable costs and expenses), whether accrued, contingent, absolute, determined, determinable or otherwise, incurred or suffered by any Indemnified Party which arise out of or relate to (i) any action or dispute involving PLZ about PLZ's equipment sale to Xuzhou Baoyuan Intelligent Manufacturing Co., Ltd.* (徐州寶元智能製造有限公司) (the "**Baoyuan Case**") and PLZ shall only be liable for the amount exceeding RMB40,949,951; and (ii) other expenses and costs in relation to corporate restructuring and taxation assessment as agreed by the parties in the Share Purchase Agreement (collectively, the "**Special Indemnity**").

For the avoidance of doubt, the above Limitations (other than the Cap) shall apply to the Special Indemnity set out above.

Other Obligations and Covenants of El.En. and Ot-Las

Non-compete Covenants

Unless with the written consent of the Company, during the Relevant Period and for a period of three years thereafter, none of Ot-Las, El.En. and their respective affiliates shall, directly or indirectly, either by itself or in conjunction with or through any other person to (a) establish, invest in, participate in, assist, carry out, be engaged, concerned or interested directly or indirectly whether as shareholder, partner, advisor, agent or representative in any business in competition with, or otherwise similar to, the business engaged by any Group Company (excluding the marking, galvanometers and CO₂ laser sources business), unless otherwise agreed in the Share Purchase Agreement; or (b) solicit or entice away or endeavor to solicit or entice away from any Group Company any person (i) who is a customer, client, supplier or business partner of any Group Company or in the habit of dealing with such Group Company, or (ii) who is employed or contracted by or works for any Group Company.

For the purpose of this paragraph, “**Relevant Period**” means, in relation to Ot-Las, El.En. or any of their affiliates, the period ending on the later of (i) the date such person ceases to have any direct or indirect interest (legal or beneficial) in the share capital of any of the Group Companies and (ii) the date such person ceases to hold any employment position or directorship with any Group Company.

Exclusivity

From the date of signing the Share Purchase Agreement until the date of the Closing or the earlier date of termination of the Share Purchase Agreement, El.En. and Ot-Las shall not, nor shall they permit any Group Company or their respective directors, officers, employees, agents or affiliates, directly or indirectly (a) approve, authorize, conduct, accept, solicit, initiate, respond to, encourage or otherwise facilitate offers or proposals from, or engage in or continue any discussion or negotiation with, any other person (except for the Company) regarding any transaction involving investment in, acquisition of equity or substantial assets, acquisition, merger or integration of any Group Company, or any transaction that may substitute, obstruct or interfere with the transactions contemplated in the Transaction Documents; or (b) provide or offer to provide any non-public information to any other person (except for the Company), or cooperate with them in any way, or assist, participate in, facilitate or encourage any other person (except for the Company) to endeavor or attempt to conduct any of the aforementioned transactions.

Closing

The Closing shall take place remotely or at a location mutually agreed by the parties to the Share Purchase Agreement in writing by exchange of documents and signatures, on a date mutually agreed by such parties in writing, which shall be the fifteenth Business Day after the fulfilment or waiver of each of the conditions to the Closing as set forth in the Share Purchase Agreement (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), or at such other date, place and time as otherwise agreed in writing by the parties.

Upon the completion of the Closing, PLZ will become a non-wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements.

Effectiveness, Amendments and Termination

Effectiveness

The Share Purchase Agreement shall take effect as of March 28, 2025 (Hong Kong Time) with respect to all the parties which have duly executed such agreement.

Amendments

Any amendment(s) to the terms of the Share Purchase Agreement may only be made with the written consent of all the parties thereto and any amendment(s) effected in accordance with this paragraph shall be binding upon each of the parties thereto.

Termination

The Share Purchase Agreement and the transactions contemplated thereunder may be terminated in the following circumstances:

- (a) by Ot-Las, El.En. or the Company, if the Closing has not occurred on or before the 90th day following the execution of the Share Purchase Agreement (the “**Long-Stop Date**”), provided however that the right to terminate the Share Purchase Agreement shall not be available to any party whose breach of any provision of the Share Purchase Agreement has been the cause of the failure of the Closing before the Long-Stop Date;
- (b) by the Company on or before the date of the Closing, if there has been a misrepresentation or breach of a covenant or agreement contained in the Share Purchase Agreement or other Transaction Documents on the part of Ot-Las or El.En., which breach has not been cured by the relevant party to the satisfaction of the Company within ten Business Days after receipt of a written notice of such breach from the Company;
- (c) by Ot-Las, El.En. or the Company, if there is any change to any applicable law or enactment of any new law that would prohibit or otherwise make it illegal to proceed with the transactions under the Transaction Documents or to continue to operate the business of research and development, production and sales of high-power laser cutting equipment under the then-existing equity structure of the Group Companies, which could not be solved by alteration or adjustment of the transactions or the equity structure of the Group Companies (as the case may be) after good faith consultation; or
- (d) by mutual written consent of Ot-Las, El.En. and the Company.

CORPORATE GOVERNANCE ARRANGEMENTS

PLZ will set up a board of directors and a shareholders' meeting after the Closing. The board of directors of PLZ shall consist of five directors, of which four directors shall be appointed by the Company and one director shall be appointed by Ot-Las. The legal representative of PLZ shall be the chairman of its board of directors. In addition, the Company has the right to nominate one chief financial officer who shall be appointed by the board of directors of PLZ. The general manager and the secretary of the board of directors of PLZ shall be appointed by its board of directors, while the deputy general manager(s) and other senior management members of PLZ shall be nominated by its general manager and appointed by its board of directors.

Ordinary resolutions of the shareholders' meeting of PLZ can be passed with the consent of shareholders representing more than 1/2 of the voting rights, while the special resolutions in relation to the following matters shall only be passed with the consent of shareholders representing more than 2/3 of the voting rights: (a) increase or decrease of registered capital of PLZ; (b) merger, division, dissolution, liquidation or change in form of PLZ; (c) amendments to the articles of association of PLZ; (d) share repurchase by PLZ; (e) employee equity incentive plans; (f) purchase or disposal of major assets within one year, or provision of guarantees exceeding 30% of the total audited assets of PLZ in the most recent period; (g) provision of guarantees exceeding 50% of the total net audited assets of PLZ in the most recent period and an absolute amount exceeding RMB50 million within any consecutive 12-month period; and (h) other matters as determined by an ordinary resolution of the shareholders' meeting to have significant impact on PLZ shall be considered and approved by special resolutions of the shareholders' meeting of PLZ.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Company's strategic development plan. 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. The Group has been actively promoting its diversified development strategy in recent years and the laser industry chain is one of the important directions of the Company's diversified development strategy. The Target Company is principally engaged in the research and development, production and sales of high-power laser processing equipment, and the products are widely used in areas such as cutting, welding and new energy vehicles. The Proposed Acquisition would allow the Company to have full coverage of the research and development and production of high-power laser processing equipment, further improve the product structure of the Company in the laser equipment industry and form a comprehensive industrial chain, which will help the Company to achieve strategic layout in the laser processing industry and further diversity its business.

The Proposed Acquisition will help the Company and the Target Company achieve business synergies. The Company has good synergies with the Target Company in terms of market expansion, product and technology research and development as well as production and operation. In respect of market expansion, the Target Company has relatively high brand recognition, well-established sales channels and stable customer resources at its home country and abroad, which can help the Company expand its laser business to overseas markets and strengthen its brand building efforts. In addition, the Company's extensive international business layout, including business presence in industries such as electricity and communications, will in turn help the Target Company's expansion of its laser equipment business in these industries, and enable both parties to realize the complementary market coverage and business development synergies. In respect of product and technology research and development, the Target Company has in-depth technical accumulation in the high power laser equipment industry, and in particular, the Target Company has a leading position in terms of laser cutting and welding technology, which is technologically complementary with the Company in developing more advanced laser processing equipment, improving product performance and technical standards as well as strengthening its leading position in the laser industry. In respect of production and operation, the Company's industrial chain layout and management experience in the laser industry will provide the Target Company rich resources and operational optimization capability. Synergies achieved in production process, supply chain efficiency and resource integration will effectively reduce the operating costs of both parties and enhance their respective production efficiency.

The Proposed Acquisition is in line with the industry trend and will enhance the Company's market competitiveness. With the rapid development of industries such as 5G, IoT and new energy vehicles, the demand for laser processing equipment has continued to increase. The Proposed Acquisition will enable the Company to better meet the market demand for laser processing equipment better and conform to the development trend of the industry. At the same time, the Company will also be able to gain the Target Company's market share in the industry so as to further enhance its market competitiveness.

The Proposed Acquisition will bring financial returns and enhance the Company's overall financial performance. The Target Company has been actively adhering to development strategic goals with a focus on developing its business layout in industries such as ship manufacturing, automation, three-dimension five-axis and new energy, and at the same time, the Company puts full efforts to explore overseas markets, overall showing a relatively good development trend. In the ship manufacturing sector, benefited from the long-term development of the national shipping industry, ship manufacturing plants' orders of the Target Company has become saturated and showed high business continuity; in the automation sector, the Target Company has established a branch in Yangzhou with a focus on automation technology, and currently, the sales of automation technology demonstrate a rapid growth trend; in the third-dimension five-axis sector, the Target Company has collaborated with the leading domestic auto factories; and in the new energy sector, the newly signed sales orders of the Target Company amounts to nearly RMB100 million for the first quarter in 2025, and it is worth looking forward to the annual sales amount. In addition, the Target Company has extended its business to cover the high-end market in Europe and the United States, with a higher gross profit margin than the domestic average gross profit margin. Meanwhile, the Target Company has also actively planned to open overseas factories to reduce the impact of the taxation policies. The Target Company's business was profitable in January and February 2025. In the long run, with the synergy of business development and the enhancement of production and operation efficiency of both parties, it is expected that the Target Company's results will be further improved, which will bring financial returns to the Company and further improve the profitability and financial performance of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Purchase Agreement are fair and reasonable, and the proposed transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole after taking into account the reasons and benefits as stated above.

INFORMATION ON PLZ

PLZ was established on December 24, 2012 and is principally engaged in the manufacture and sale of laser cutting machines to both domestic and overseas customers. The following financial information is extracted from the latest audited financial statements of PLZ for the two financial years ended December 31, 2024:

	Year ended December 31,	
	2024	2023
	<i>RMB' million</i>	<i>RMB' million</i>
Revenue	608.7	691.1
Net profit before taxation	(23.3)	(39.9)
Net profit after taxation	(23.8)	(31.3)
Total assets	1,392.6	966.1
Total liabilities	1,051.7	555.3
Net assets	340.9	410.8

Note: The financial information of PLZ for 2023 exclude financial information of Penta Laser (Wuhan) Co., Ltd.* (奔騰激光(武漢)有限公司), Penta Laser Technology (Shandong) Co., Ltd.* (奔騰激光科技(山東)有限公司), Cutlite and Cutlite Do Brazil S.r.l. (a subsidiary of Cutlite); and the financial information of PLZ for 2024 include financial information of Penta Laser (Wuhan) Co., Ltd.* (奔騰激光(武漢)有限公司) and Penta Laser Technology (Shandong) Co., Ltd.* (奔騰激光科技(山東)有限公司) but exclude financial information of Cutlite and Cutlite Do Brazil S.r.l.

INFORMATION ON 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.

INFORMATION ON EL.EN. AND OT-LAS

El.En. is a global leading laser technology company, with its headquarter located in Florence, Italy. The shares of El.En. are listed on Borsa Italiana, the Italian stock exchange (stock ticker: ELN). El.En. is primarily engaged in research and development, production and sales of laser systems and equipment for wide applications in the industrial, medical, beauty and scientific research sectors, and its products include laser cutting machine, laser welding machine, medical laser machine and laser systems for use in beauty and skin treatment. It has an extensive market network and subsidiaries around the world with many branches and subsidiaries in Europe, North America, South America, Asia and other regions.

Ot-Las is the holding company of PLZ and is primarily engaged in design and manufacturing of laser machines used for cutting, marking and carving, and has been providing corporate customers with highly professional and customized products which are specially designed for meeting various production needs of customers. The applications of these products include leather and textiles processing, production of thermo-formation items, marble carving, ceramic decorations, food marking and packing, etc. El.En. is the controlling shareholder of Ot-Las.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, El.En., Ot-Las and PLZ and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios in respect of the transaction contemplated under the Share Purchase Agreement (namely, the PLZ Transfer) are less than 5%, the transaction contemplated thereunder does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

There are uncertainties about whether the Closing will be processed as expected. As the Closing will be subject to the various conditions, including approvals from or filings with relevant domestic and overseas administrative authorities, the Closing may be subject to delay, alteration, suspension or termination.

The operating results of the Target Company may be affected by various factors such as macroeconomic conditions, economic cycles, market competition, and hence there are uncertainties in the future operation of the Target Company. As a result, actual operation results of the Target Company 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)
“Board”	the board of directors of the Company
“Business Day(s)”	any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by applicable laws to be closed in the PRC, Hong Kong, or Italy
“Closing”	the consummation of the Proposed Acquisition which shall be conducted remotely or at a location mutually agreed by the parties to the Share Purchase Agreement in writing by exchange of documents and signatures, on a date mutually agreed by such parties in writing, which shall be the fifteenth Business Day after the fulfilment or waiver of each of the conditions of the Closing as set forth in the Share Purchase Agreement (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or waiver thereof at the Closing), or at such other date, place and time as otherwise agreed in writing by the parties
“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 the Shanghai Stock Exchange and the Main Board of the Stock Exchange, respectively
“Cutlite”	Cutlite Penta S.r.l., a limited liability company incorporated under the laws of the Republic of Italy on December 1, 2017. As a Closing condition, Ot-Las shall complete the acquisition of 100% equity interest in Cutlite from PLZ and as such, immediately prior to the Closing, Cutlite will become wholly owned by Ot-Las directly
“Directors”	the directors of the Company
“El.En.”	El.En. S.p.A., a joint stock company incorporated under the laws of the Republic of Italy and whose shares are listed on the Euronext STAR Milan market of Borsa Italiana, the Italian stock exchange (stock ticker: ELN)
“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

“Framework Agreement”	the framework agreement entered into by and between the Company and El.En. on November 8, 2024 (Central European Time) in relation to, among others, the proposed PLZ Transfer
“Group”	the Company and its subsidiaries
“Group Companies”	PLZ and its Subsidiaries, and “Group Company” means any of them
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards promulgated by the International Accounting Standards Board, which includes standards and interpretations approved by the International Accounting Standards Board and International Accounting Principles issued under previous constitutions, together with its pronouncements thereon from time to time, and applied on a consistent basis
“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected with its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Ot-Las”	Ot-las S.r.l., a limited liability company incorporated under the laws of the Republic of Italy, which is a controlled subsidiary of El.En.
“person”	any individual, corporation, proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, enterprise, institution, public benefit corporation, entity or governmental or regulatory authority or other entity of any kind or nature
“PLZ Minority Shareholders”	shareholders of PLZ other than the Company, Qin Xiaoming (覃曉鳴), Luo Yusen (駱玉森) and Huang Tao (黃濤). To the best knowledge of the Company, each of Qin Xiaoming (覃曉鳴), Luo Yusen (駱玉森) and Huang Tao (黃濤) is an Independent Third Party
“PLZ” or “Target Company”	Penta Laser (Zhejiang) Co., Ltd.* (奔騰激光(浙江)股份有限公司), a joint stock limited liability company established under the laws of the PRC on December 24, 2012. Immediately following the completion of the proposed PLZ Transfer contemplated under the Share Purchase Agreement, PLZ will be owned as to 59.1837% by the Company, 19.2775% by Ot-Las and 21.5389% by other shareholders who are individuals or limited partnerships, and to the best knowledge of the Company, are all Independent Third Parties

“PLZ Shareholders Agreement”	the shareholders agreement of PLZ to be entered into by PLZ, the Company and other shareholders of PLZ, in the form and substance to the satisfaction of the Company
“PLZ Transfer”	the proposed transfer of an aggregate of 28,698,288 shares of PLZ by Ot-Las to the Company
“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
“Proposed Acquisition”	proposed acquisition of an aggregate of 28,698,288 shares of PLZ by the Company at a consideration of RMB239,959,832 in cash
“Restructuring”	restructuring steps to be completed by Ot-Las prior to the Closing, including (i) Ot-Las’ purchase of 100% of the shares of Cutlite from PLZ; and (ii) PLZ’s repurchase of all of its shares held by its institutional investors
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Subsidiary(ies)”	with respect to a specific person, means (i) any entity (x) more than 50% of whose shares, equity or other interests entitled to vote or (y) more than 50% interests in whose profits or capital are owned or controlled directly or indirectly by the subject person or through one or more Subsidiary(ies) of the subject person; (ii) any entity whose assets are consolidated with the net earnings of the subject person and are recorded on the books of the subject person for financial reporting purposes in accordance with the China Accounting Standard published by the China Accounting Standards Committee of the Ministry of Finance of the PRC; or (iii) any entity with respect to which the subject person has the power to direct the business, management and policies of that entity directly or indirectly through another Subsidiary. For the avoidance of doubt, the Subsidiaries shall include Penta Laser Technology (Shandong) Co., Ltd.* (奔騰激光科技(山東)有限公司), Penta Laser (Wuhan) Co., Ltd.* (奔騰激光(武漢)有限公司), Shenzhen Jinbofang Laser Tech Co., Ltd.* (深圳錦帛方激光科技有限公司), Zhejiang Penta Precision Technology Co., Ltd.* (浙江奔騰精密科技有限公司), Penta Laser Middle East and any other Subsidiary to be established by any of them from time to time

“Transaction Document(s)” any or all of the Share Purchase Agreement, the articles of association of PLZ (including all amendments thereto), the PLZ Shareholders Agreement, the exhibits attached to any of the foregoing and each of the agreements and documents otherwise required in connection with implementation of the transactions contemplated by any of the foregoing

“%” 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, March 28, 2025

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. Lars Frederick Persson, Mr. Xiong Xiangfeng and Mr. Mei Yong, as non-executive directors; Mr. Bingsheng Teng, Ms. Li Chang'ai and Mr. Tsang Hin Fun Anthony as independent non-executive directors.

* For identification purposes only