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Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6869)

DISCLOSEABLE TRANSACTION ACQUISITION OF 25% EQUITY INTEREST IN YOFC SHANGHAI

ACQUISITION OF 25% EQUITY INTEREST IN YOFC SHANGHAI

The Board is pleased to announce that on July 30, 2026, the Company (as the Purchaser) and Draka Comteq B.V. ("**Draka**" or the "**Vendor**") entered into the Equity Transfer Agreement, pursuant to which the Company has agreed to acquire and Draka has agreed to sell 25% of the equity interest in Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd. (the "**Target Company**" or "**YOFC Shanghai**") at a consideration of EUR12,000,000 in cash (the "**Acquisition**").

Upon completion of the Acquisition, the Target Company will become 100% owned by the Company and will therefore become a wholly-owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

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

The Target Company may be exposed to various uncertainties, such as macroeconomic conditions, industry cycles, and market competition. Accordingly, there are uncertainties in the future operations of the Target Company and actual operating results may not materialize as expected. In addition, the Acquisition is still subject to the completion of various regulatory procedures, including registration with the relevant market regulatory authorities and completion of all necessary formalities with tax, commerce, and foreign exchange authorities and financial institutions.

Shareholders and potential investors of the Company should therefore exercise caution when dealing in the shares or any other securities of the Company.

INTRODUCTION

The Board is pleased to announce that on July 30, 2026, the Company (as the Purchaser) entered into the Equity Transfer Agreement with Draka (as the Vendor), pursuant to which the Company has agreed to acquire and Draka has agreed to sell 25% of the equity interest in YOFC Shanghai (as the Target Company) at a consideration of EUR12,000,000 in cash.

Immediately before the Acquisition, YOFC Shanghai was owned as to 75% by the Company and 25% by Draka. As neither the Company nor Draka was able to unilaterally determine decisions on material matters of YOFC Shanghai under its articles of association effective prior to the Acquisition, YOFC Shanghai was classified as a joint venture of the Company. Upon completion of the Acquisition, the Company will hold 100% of the equity interest in YOFC Shanghai, and YOFC Shanghai will become a wholly-owned subsidiary of the Company and therefore, its financial results will be consolidated into the Group's consolidated financial statements.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised below:

Date

July 30, 2026

Parties

(a) The Company (as the Purchaser)

(b) Draka (as the Vendor)

Effective conditions and timing

The Equity Transfer Agreement shall become effective on July 30, 2026 upon execution by both parties thereto.

Subject matter and consideration

Pursuant to the Equity Transfer Agreement, the Company has agreed to acquire and Draka has agreed to sell 25% of the equity interest in YOFC Shanghai at a consideration of EUR12,000,000 in cash. The consideration was determined after arm's length negotiation between the parties and based on the audited net asset value of YOFC Shanghai of RMB348,559,029 as at December 31, 2025. The consideration represents a premium of approximately 6.3% over the corresponding net asset value attributable to the 25% equity interest in YOFC Shanghai as at December 31, 2025, which the Directors consider to be in line with market practice in respect of acquisitions of a similar nature by comparable companies. The consideration will be settled in cash in Euros and funded by the Company's internal resources.

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

Liability for Breach of Contract

Except for in the case of *force majeure*, if any party materially breaches any term or condition of the Equity Transfer Agreement (including any representations and warranties therein), the non-defaulting party shall issue a written notice to the defaulting party within five working days of discovering the breach, requiring rectification. If the defaulting party fails to rectify the breach within 20 working days (or such other period as otherwise agreed in writing) after receipt of such notice, the non-defaulting party shall have the right to terminate the Equity Transfer Agreement and/or claim compensation for losses caused thereby.

Post-completion Procedures

Completion of the Acquisition is subject to the following conditions: (a) the relevant market regulatory authority issuing a registration notice confirming the change of shareholders of YOFC Shanghai; and (b) completion of all necessary formalities with the tax, commerce, foreign exchange and other relevant governmental authorities and financial institutions as required for the payment arrangements under the Equity Transfer Agreement.

The Equity Transfer Agreement has already become effective upon execution by both parties thereto. The above conditions relate to the settlement and closing procedures rather than conditions to the effectiveness of the Equity Transfer Agreement itself.

Payment Arrangement

The Company shall procure YOFC Shanghai to promptly initiate and complete the industrial and commercial change registration and the foreign exchange change registration for domestic direct investment. Within five business days after completion of the outbound payment tax filing, PRC tax clearance, industrial and commercial change registration, and domestic direct investment foreign exchange change registration, the Company shall complete the outbound payment formalities with the corresponding bank. On the next business day following the satisfaction or written waiver of all the conditions precedent as set in the Equity Transfer Agreement, or on such other date as may be mutually agreed by the Company and Draka, the Company shall pay the consideration in a lump sum to Draka by telegraphic transfer. Such payment shall be denominated in Euros, made in a single lump sum, and shall represent the net amount after the deduction of any applicable withholding taxes.

Vendor's Representations and Warranties

Draka has represented and warranted that the equity interest being transferred is free from any pledge or encumbrance, that Draka has full and effective power to dispose of such equity interest, and that there are no judgments or restrictions that would limit the transfer thereof, nor any pending or potential litigation, arbitration, or court orders that would have a material adverse effect on the equity interest or its transfer.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a global leading provider of optical fibre preforms, optical fibres, optical cables and integrated solutions, principally engaged in the manufacture and sale of optical fibre preforms, optical fibres and optical cables, as well as related products and services for the telecommunications and data centre markets.

YOFC Shanghai is engaged in the production and sale of optical fibres, optical cables and related components and materials, which has strong synergies with the optical communications products segment of the Company. The Acquisition will enable the Company to integrate upstream and downstream production capacity resources of the industry, better satisfy market demand, and achieve sustainable growth in its principal business.

The Acquisition does not involve any change in the management of YOFC Shanghai or any business or commercial arrangements of YOFC Shanghai. Upon completion of the Acquisition, YOFC Shanghai will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement are fair and reasonable, and the transaction contemplated thereunder is on normal commercial terms in line with market practice and in the interests of the Company and the Shareholders as a whole.

None of the Directors had a material interest in the Equity Transfer Agreement or the transaction contemplated thereunder, or otherwise was required to abstain from voting on the relevant Board resolution approving the transaction contemplated under the Equity Transfer Agreement.

INFORMATION ON YOFC SHANGHAI

YOFC Shanghai was established on October 30, 2002 in the PRC. It is principally engaged in the design, production and sale of optical fibre, optical cable, device materials and broadband access network communication system equipment, as well as the provision of related services.

The following financial information is extracted from the audited financial statements of YOFC Shanghai for the two financial years ended December 31, 2024 and 2025, and the unaudited financial statements for the three months ended March 31, 2026:

	For the three months ended Mach 31,	**For the year ended December 31,**	
	2026	**2025**	2024
	RMB'000	***RMB'000***	*RMB'000*
Revenue	185,008,786	718,812,835	709,835,643
Net profit (after taxation)	1,136,897	4,848,442	9,194,359
Total assets	658,796,986	556,671,783	614,949,460
Net assets	347,898,988	348,559,029	346,424,496

YOFC Shanghai does not have any outstanding external guarantees, entrusted wealth management, or financial assistance arrangements.

INFORMATION ON DRAKA

Draka is a company established in the Netherlands on May 14, 2004 and it is principally engaged in the manufacture of communication equipment, wholesale of electronic and communication equipment and related components, and financial holding activities. Its controlling shareholder and ultimate beneficial owner is Prysmian S.p.A.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Draka and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

INFORMATION ON THE COMPANY

The Company is principally engaged in the manufacture and sale 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.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

"Acquisition"	the acquisition by the Company of the 25% equity interest in YOFC Shanghai (as the Target Company) from Draka for a consideration of EUR12,000,000 in cash as contemplated under the Equity Transfer Agreement
"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
"Company" or "Purchaser"	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 thereto in the Listing Rules
"Directors"	the directors of the Company
"Draka" or "Vendor"	Draka Comteq B.V., a company established in the Netherlands on May 14, 2004
"Equity Transfer Agreement"	the equity transfer agreement (股權轉讓協議) entered into by and between the Company (as the Purchaser) and Draka (as the Vendor) on July 30, 2026
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"H Share(s)"	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong Dollars
"Independent Third Party(ies)"	third party(ies) independent of the Company and not connected with its connected persons (as defined under the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"EUR" or "Euro(s)"	Euro(s), the lawful currency of the European Union
"Share(s)"	A Shares and/or H Shares
"Shareholder(s)"	holders of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the meaning ascribed thereto in the Listing Rules
"Target Company" or "YOFC Shanghai"	Yangtze Optical Fibre and Cable (Shanghai) Co., Ltd.* (長飛光纖光纜(上海)有限公司), a limited liability company established in the PRC on October 30, 2002. Upon completion of the Acquisition, YOFC Shanghai will become a 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, July 30, 2026

As at the date of this announcement, the Board comprises Dr. Zhuang Dan as executive Director; Dr. Ma Jie, Dr. Guan Jingzhi, Mr. Qiu Xiangping, Mr. Mei Yong, Dr. Tian Yu, Dr. Peter Johannes Wijnandus Marie Bongaerts and Mr. Wang Ruichun as non-executive Directors; and Dr. Li Chang'ai, Mr. Tsang Hin Fun Anthony, Mr. Frank Franciscus Dorjee and Mr. Dai Yusi as independent non-executive Directors.

* *For identification purposes only*