

**Monthly Return of Equity Issuer on Movements in Securities**

**For the month ended (dd/mm/yyyy) :** 31/03/2016

To : Hong Kong Exchanges and Clearing Limited

Name of Issuer China Fiber Optic Network System Group Ltd.

Date Submitted 06/04/2016

**I. Movements in Authorised Share Capital**

**1. Ordinary Shares**

(1) Stock code : 3777 Description : Ordinary Shares

|                                     | No. of ordinary<br>shares | Par value<br>( <i>State<br/>currency</i> ) | Authorised share<br>capital<br>( <i>State currency</i> ) |
|-------------------------------------|---------------------------|--|--|
| Balance at close of preceding month | <u>10,000,000,000</u>     | <u>US\$0.001</u>                           | <u>US\$10,000,000</u>                                    |
| Increase/(decrease)                 | <u>-----</u>              |  | <u>-----</u>   |
| Balance at close of the month       | <u>10,000,000,000</u>     | <u>US\$0.001</u>                           | <u>US\$10,000,000</u>                                    |

(2) Stock code : N/A Description : N/A

|                                     | No. of ordinary<br>shares | Par value<br>( <i>State<br/>currency</i> ) | Authorised share<br>capital<br>( <i>State currency</i> ) |
|-------------------------------------|---------------------------|--|--|
| Balance at close of preceding month | <u>N/A</u>                | <u>N/A</u>                                 | <u>N/A</u>   |
| Increase/(decrease)                 | <u>N/A</u>                |  | <u>N/A</u>   |
| Balance at close of the month       | <u>N/A</u>                | <u>N/A</u>                                 | <u>N/A</u>   |

## 2. Preference Shares

|                                     |            |                          |  |   |
|-------------------------------------|------------|--------------------------|--|---|
| Stock code :                        | <u>N/A</u> | Description :            | <u>N/A</u>                             |   |
|                                     |            | No. of preference shares | Par value<br>( <i>State currency</i> ) | Authorised share capital<br>( <i>State currency</i> ) |
| Balance at close of preceding month | <u>N/A</u> | <u>N/A</u>               | <u>N/A</u>                             | <u>N/A</u>  |
| Increase/(decrease)                 | <u>N/A</u> | <u>N/A</u>               | <u>N/A</u>                             | <u>N/A</u>  |
| Balance at close of the month       | <u>N/A</u> | <u>N/A</u>               | <u>N/A</u>                             | <u>N/A</u>  |

## 3. Other Classes of Shares

|                                     |            |                                |  |   |
|-------------------------------------|------------|--------------------------------|--|---|
| Stock code :                        | <u>N/A</u> | Description :                  | <u>N/A</u>                             |   |
|                                     |            | No. of other classes of shares | Par value<br>( <i>State currency</i> ) | Authorised share capital<br>( <i>State currency</i> ) |
| Balance at close of preceding month | <u>N/A</u> | <u>N/A</u>                     | <u>N/A</u>                             | <u>N/A</u>  |
| Increase/(decrease)                 | <u>N/A</u> | <u>N/A</u>                     | <u>N/A</u>                             | <u>N/A</u>  |
| Balance at close of the month       | <u>N/A</u> | <u>N/A</u>                     | <u>N/A</u>                             | <u>N/A</u>  |

Total authorised share capital at the end of the month (*State currency*) :

**US\$10,000,000**

## II. Movements in Issued Share Capital

|                                       | No. of ordinary shares |            | No of preference shares | No. of other classes of shares |
|---------------------------------------|------------------------|------------|-------------------------|--------------------------------|
|                                       | (1)                    | (2)        |                         |                                |
| Balance at close of preceding month   | <u>2,144,491,200</u>   | <u>N/A</u> | <u>N/A</u>              | <u>N/A</u>                     |
| Increase/ (decrease) during the month | <u>N/A</u>             | <u>N/A</u> | <u>N/A</u>              | <u>N/A</u>                     |
| Balance at close of the month         | <u>2,144,491,200</u>   | <u>N/A</u> | <u>N/A</u>              | <u>N/A</u>                     |

## III. Details of Movements in Issued Share Capital

### Share Options (under Share Option Schemes of the Issuer)

| Particulars of share option scheme including EGM approval date (dd/mm/yyyy) and class of shares issuable | Movement during the month |            |                            |            | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|--|---------------------------|------------|----------------------------|------------|--|---|
|  | Granted                   | Exercised  | Cancelled                  | Lapsed     |  |   |
| <u>1. Share Option</u>   |                           |            |                            |            |  |   |
| <u>Scheme adopted</u>  |                           |            |                            |            |  |   |
| <u>Exercise Price:</u>   |                           |            |                            |            |  |   |
| <u>HK\$1.200</u>   |                           |            |                            |            |  |   |
| <u>( 03/06/2011)</u>   |                           |            |                            |            |  |   |
| <u>Ordinary shares</u>   | <u>-0-</u>                | <u>-0-</u> | <u>-0-</u>                 | <u>-0-</u> | <u>-0-</u>   | <u>-8,640,000-</u>  |
| <i>(Note 1)</i>  |                           |            |                            |            |  |   |
| <u>2. Share Option</u>   |                           |            |                            |            |  |   |
| <u>Scheme adopted</u>  |                           |            |                            |            |  |   |
| <u>Exercise Price:</u>   |                           |            |                            |            |  |   |
| <u>HK\$1.000</u>   |                           |            |                            |            |  |   |
| <u>( 03/06/2011)</u>   |                           |            |                            |            |  |   |
| <u>Ordinary shares</u>   | <u>-0-</u>                | <u>-0-</u> | <u>-0-</u>                 | <u>-0-</u> | <u>-0-</u>   | <u>-55,363,200-</u>   |
| <i>(Note 1)</i>  |                           |            |                            |            |  |   |
| <u>2. Share Option</u>   |                           |            |                            |            |  |   |
| <u>Scheme adopted</u>  |                           |            |                            |            |  |   |
| <u>Exercise Price:</u>   |                           |            |                            |            |  |   |
| <u>HK\$0.862</u>   |                           |            |                            |            |  |   |
| <u>( 17/11/2015)</u>   |                           |            |                            |            |  |   |
| <u>Ordinary shares</u>   | <u>-0-</u>                | <u>-0-</u> | <u>-0-</u>                 | <u>-0-</u> | <u>-0-</u>   | <u>-89,662,800-</u>   |
| <i>(Note 1)</i>  |                           |            |                            |            |  |   |
|  |                           |            | Total A. (Ordinary shares) |            | <u>Nil</u>   |   |
|  |                           |            | (Preference shares)        |            | <u>N/A</u>   |   |
|  |                           |            | (Other class)              |            | <u>N/A</u>   |   |
| Total funds raised during the month from exercise of options (State currency)                            |                           |            |                            | <u>N/A</u> |  |   |

Warrants to Issue Shares of the Issuer which are to be Listed

| Description of warrants<br>(Date of expiry - dd/mm/yyyy) | Currency of<br>nominal<br>value | Nominal value at<br>close of<br>preceding month | Exercised<br>during the<br>month | Nominal value<br>at close of the<br>month | No. of new<br>shares of<br>issuer issued<br>during the<br>month<br>pursuant<br>thereto | No. of new<br>shares of<br>issuer which<br>may be issued<br>pursuant<br>thereto as at<br>close of the<br>month |
|--|---------------------------------|---|----------------------------------|---|--|--|
| 1. N/A<br>_____<br>_____                                 |                                 |   |                                  |   |  |  |
| ( / / )  |                                 |   |                                  |   |  |  |
| Stock code (if listed) _____                             |                                 |   |                                  |   |  |  |
| Class of shares _____                                    |                                 |   |                                  |   |  |  |
| issuable ( <i>Note 1</i> ) _____                         |                                 |   |                                  |   |  |  |
| Subscription price _____                                 |                                 |   |                                  |   |  |  |
| EGM approval date _____                                  |                                 |   |                                  |   |  |  |
| (if applicable) _____                                    |                                 |   |                                  |   |  |  |
| (dd/mm/yyyy) _____                                       |                                 | ( / / )   |                                  |   |  |  |
| 2. N/A<br>_____<br>_____                                 |                                 |   |                                  |   |  |  |
| ( / / )  |                                 |   |                                  |   |  |  |
| Stock code (if listed) _____                             |                                 |   |                                  |   |  |  |
| Class of shares _____                                    |                                 |   |                                  |   |  |  |
| issuable ( <i>Note 1</i> ) _____                         |                                 |   |                                  |   |  |  |
| Subscription price _____                                 |                                 |   |                                  |   |  |  |
| EGM approval date _____                                  |                                 |   |                                  |   |  |  |
| (if applicable) _____                                    |                                 |   |                                  |   |  |  |
| (dd/mm/yyyy) _____                                       |                                 | ( / / )   |                                  |   |  |  |
| 3. N/A<br>_____<br>_____                                 |                                 |   |                                  |   |  |  |
| ( / / )  |                                 |   |                                  |   |  |  |
| Stock code (if listed) _____                             |                                 |   |                                  |   |  |  |
| Class of shares _____                                    |                                 |   |                                  |   |  |  |
| issuable ( <i>Note 1</i> ) _____                         |                                 |   |                                  |   |  |  |
| Subscription price _____                                 |                                 |   |                                  |   |  |  |
| EGM approval date _____                                  |                                 |   |                                  |   |  |  |
| (if applicable) _____                                    |                                 |   |                                  |   |  |  |
| (dd/mm/yyyy) _____                                       |                                 | ( / / )   |                                  |   |  |  |
| 4. N/A<br>_____<br>_____                                 |                                 |   |                                  |   |  |  |
| ( / / )  |                                 |   |                                  |   |  |  |
| Stock code (if listed) _____                             |                                 |   |                                  |   |  |  |
| Class of shares _____                                    |                                 |   |                                  |   |  |  |
| issuable ( <i>Note 1</i> ) _____                         |                                 |   |                                  |   |  |  |
| Subscription price _____                                 |                                 |   |                                  |   |  |  |
| EGM approval date _____                                  |                                 |   |                                  |   |  |  |
| (if applicable) _____                                    |                                 |   |                                  |   |  |  |
| (dd/mm/yyyy) _____                                       |                                 | ( / / )   |                                  |   |  |  |
| Total B. (Ordinary shares) _____                         |                                 |   |                                  |   | NIL  |  |
| (Preference shares) _____                                |                                 |   |                                  |   | N/A  |  |
| (Other class) _____                                      |                                 |   |                                  |   | N/A  |  |

Convertibles (i.e. Convertible into Shares of the Issuer which are to be Listed)

| Class and description                          | Currency of amount outstanding | Amount at close of preceding month | Converted during the month | Amount at close of the month | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|--|--------------------------------|------------------------------------|----------------------------|------------------------------|--|---|
| 1. Convertible Bonds<br>(See Remark (1))       | HK\$                           | NIL                                | NIL                        | NIL                          | NIL  | NIL   |
| Stock code (if listed)                         | N/A                            |                                    |                            |                              |  |   |
| Class of shares issuable ( <i>Note 1</i> )     | Ordinary                       |                                    |                            |                              |  |   |
| Subscription price                             | HK\$0.467                      |                                    |                            |                              |  |   |
| AGM approval date (if applicable) (dd/mm/yyyy) | (23/6/2015)                    |                                    |                            |                              |  |   |
| 2. Convertible Bonds<br>(See Remark (2))       | HK\$                           | NIL                                | NIL                        | NIL                          | NIL  | NIL   |
| Stock code (if listed)                         | N/A                            |                                    |                            |                              |  |   |
| Class of shares issuable ( <i>Note 1</i> )     | Ordinary                       |                                    |                            |                              |  |   |
| Subscription price                             | HK\$0.467                      |                                    |                            |                              |  |   |
| AGM approval date (if applicable) (dd/mm/yyyy) | (23/6/2015)                    |                                    |                            |                              |  |   |
| 3. N/A   |                                |                                    |                            |                              |  |   |
| Stock code (if listed)                         |                                |                                    |                            |                              |  |   |
| Class of shares issuable ( <i>Note 1</i> )     |                                |                                    |                            |                              |  |   |
| Subscription price                             |                                |                                    |                            |                              |  |   |
| EGM approval date (if applicable) (dd/mm/yyyy) | ( / / )                        |                                    |                            |                              |  |   |
| 4. N/A   |                                |                                    |                            |                              |  |   |
| Stock code (if listed)                         |                                |                                    |                            |                              |  |   |
| Class of shares issuable ( <i>Note 1</i> )     |                                |                                    |                            |                              |  |   |
| Subscription price                             |                                |                                    |                            |                              |  |   |
| EGM approval date (if applicable) (dd/mm/yyyy) | ( / / )                        |                                    |                            |                              |  |   |
|  |                                |                                    | Total C. (Ordinary shares) |                              | NIL  |   |
|  |                                |                                    | (Preference shares)        |                              | N/A  |   |
|  |                                |                                    | (Other class)              |                              | N/A  |   |

Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be Listed, including Options (other than under Share Option Schemes)

| Full particulars including EGM approval date (dd/mm/yyyy), if applicable, and class of shares issuable: | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|---|--|---|
| 1. N/A<br><br><br><br>( / / )<br>shares (Note 1)  |  |   |
| 2. N/A<br><br><br><br>( / / )<br>shares (Note 1)  |  |   |
| 3. N/A<br><br><br><br>( / / )<br>shares (Note 1)  |  |   |
| Total D. (Ordinary shares)  | NIL  |   |
| (Preference shares)   | N/A  |   |
| (Other class)   | N/A  |   |

## Other Movements in Issued Share Capital

| Type of Issue |              |                                 |   | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |            |
|---------------|--------------|---------------------------------|---|--|---|------------|
| 1.            | Rights issue | At price : State currency _____ | Class of shares issuable _____<br><i>(Note 1)</i><br>Issue and allotment date : (dd/mm/yyyy) _____<br>EGM approval date: (dd/mm/yyyy) _____ | ( / / )<br><br>( / / )   | <u>N/A</u>  | <u>N/A</u> |
| 2.            | Open offer   | At price : State currency _____ | Class of shares issuable _____<br><i>(Note 1)</i><br>Issue and allotment date : (dd/mm/yyyy) _____<br>EGM approval date: (dd/mm/yyyy) _____ | ( / / )<br><br>( / / )   | <u>N/A</u>  | <u>N/A</u> |
| 3.            | Placing      | At price : State currency _____ | Class of shares issuable _____<br><i>(Note 1)</i><br>Issue and allotment date : (dd/mm/yyyy) _____<br>EGM approval date: (dd/mm/yyyy) _____ | ( / / )<br><br>( / / )   | <u>N/A</u>  | <u>N/A</u> |
| 4.            | Bonus issue  |                                 | Class of shares issuable _____<br><i>(Note 1)</i><br>Issue and allotment date : (dd/mm/yyyy) _____<br>EGM approval date: (dd/mm/yyyy) _____ | ( / / )<br><br>( / / )   | <u>N/A</u>  | <u>N/A</u> |





| Type of Issue              |  | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|----------------------------|--|--|---|
| 9. Capital reorganisation  | Class of shares issuable _____<br><i>(Note 1)</i><br>Issue and allotment date : (dd/mm/yyyy) _____<br>EGM approval date: (dd/mm/yyyy) _____                                    | ( / / )<br><br>( / / )   | <u>N/A</u><br><br><u>N/A</u>  |
| 10. Other (Please specify) | At price : State currency _____<br>Class of shares issuable _____<br><i>(Note 1)</i><br>Issue and allotment date : (dd/mm/yyyy) _____<br>EGM approval date: (dd/mm/yyyy) _____ | ( / / )<br><br>( / / )   | <u>N/A</u><br><br><u>N/A</u>  |
|                            |  | Total E. (Ordinary shares)   | <u>NIL</u>  |
|                            |  | (Preference shares)  | <u>N/A</u>  |
|                            |  | (Other class)  | <u>N/A</u>  |

|   |     |            |
|---|-----|------------|
| Total increase / (decrease) in ordinary shares during the month (i.e. Total of A to E):                                 | (1) | <u>N/A</u> |
|   | (2) | <u>N/A</u> |
| Total increase / (decrease) in preference shares during the month (i.e. Total of A to E):                               |     | <u>N/A</u> |
| Total increase / (decrease) in other classes of shares during the month (i.e. Total of A to E):                         |     | <u>N/A</u> |
| <i>(These figures should be the same as the relevant figures under II above ("Movements in Issued Share Capital").)</i> |     |            |

Remarks (if any):

(1) On January 28, 2016, the Company entered into a subscription agreement with Zeta Buyout Fund SPC (the “**Subscriber**” and the “**Subscription Agreement**”, respectively), pursuant to which the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for, the convertible bonds in an aggregate principal amount of HK\$166,905,800 (the “**Convertible Bonds**”). The Convertible Bonds would bear an interest of 6% per annum payable on the second anniversary of the date of the issue of the Convertible Bonds or on the date of redemption of the Convertible Bonds. The Convertible Bonds would be convertible into conversion shares at a convertible price of HK\$0.467 each. The issue of the Convertible Bonds was subject to the satisfaction of certain conditions precedent by February 29, 2016 (the “**Long Stop Date**”). On February 26, 2016, the Company entered into a supplemental agreement with the Subscriber to extend the Long Stop Date to March 23, 2016 and each of the Company and the Subscriber was entitled to terminate the Subscription Agreement at any time before March 23, 2016. On March 22, 2016, the Company announced the lapse of the Long Stop Date at midnight on March 23, 2016 and the termination of the Subscription Agreement effective on March 22, 2016. Both parties have been released and discharged from their respective liabilities, rights and obligations under the Subscription Agreement.

(2) On March 23, 2016, the Company entered into another subscription agreement with China Guorong Assets Management Limited (“**China Guorong**”), pursuant to which the Company has conditionally agreed to issue, and China Guorong has conditionally agreed to subscribe for, the convertible bonds in an aggregate principal amount of HK\$166,905,800 (the “**2nd Convertible Bonds**”). The 2nd Convertible Bonds will bear an interest of 6% per annum payable on the date falling on the second anniversary of the date of the issue of the Convertible Bonds (the “**Maturity Date**”) or on the date of redemption thereof, whichever is the earlier. The 2nd Convertible Bonds may be converted prior to the Maturity Date into 357,400,000 conversion shares (subject to adjustments) based on the initial conversion price of HK\$0.467 each upon full conversion. The issue of the Convertible Bonds is subject to the satisfaction of certain conditions precedent by April 30, 2016. Details of the transactions are set out in the announcement of the Company dated March 24, 2016.

Submitted by: HUNG, Randy King Kuen

Title: Director  
(Director, Secretary or other duly authorised officer)

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Notes :

1. *State the class of shares (e.g. ordinary, preference or other).*
2. *If there is insufficient space, please append the prescribed continuation sheet.*