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中國光纖網絡系統集團有限公司

CHINA FIBER OPTIC NETWORK SYSTEM GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3777)

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND
NON-COMPLIANCE WITH RULES 3.10(1), 3.10(2), 3.10A, 3.21 AND 3.25
OF LISTING RULES AND CODE PROVISION A.5.1 OF CORPORATE
GOVERNANCE CODE OF LISTING RULES**

The board of directors (the “**Board**”) of China Fiber Optic Network System Group Ltd. (the “**Company**”) announces that Dr. Ma Kwai Yuen (“**Dr. Ma**”) has resigned as an independent non-executive Director of the Company and ceased to be the chairman of each of the audit committee of the Board (the “**Audit Committee**”) and the corporate governance committee of the Board (the “**Corporate Governance Committee**”) and a member of the nomination committee of the Board (the “**Nomination Committee**”) with effect from March 16, 2017 due to differences with the Chairman of the Board relating to his involvement, assistance and absence in connection with the resumption of trading in the Company’s shares.

Notwithstanding the reason as stated for his resignation, Dr. Ma confirmed that he has no disagreement with the Board and there is no other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to express its gratitude to Dr. Ma for his invaluable contribution to the Company.

Following the resignation of Dr. Ma, the Company has two independent non-executive Directors and one audit committee member only, the number of which falls below the minimum number required under Rule 3.10(1), 3.10A and 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). In addition, the Company fails to meet at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules, the

composition requirement of the remuneration committee of the Board under Rule 3.25 of the Listing Rules and the composition requirement of the nomination committee under code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

As such, the Board will make its best endeavours to identify suitable candidate to fill the vacancy as soon as practicable, with the relevant appointment to be made within three months from the date of the resignation of Dr. Ma to meet the requirements under the Listing Rules and will make further announcement as and when appropriate.

By Order of the Board
China Fiber Optic Network System Group Ltd.
Zhao Bing
Chairman

Hong Kong, March 17, 2017

As at the date of this announcement, the executive Directors are Mr. Zhao Bing (Chairman), Mr. Meng Yuxiao, Mr. Deng Xuejun, Mr. Hung, Randy King Kuen and Mr. Xia Ni; and the independent non-executive Directors are Dr. Xu Wanqiang and Prof. Jiang Desheng.