

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國光纖網絡系統集團有限公司

(清盤中)

**CHINA FIBER OPTIC NETWORK SYSTEM GROUP LTD.
(IN LIQUIDATION)**

(Incorporated in Cayman Islands with limited liability)

(Stock code: 3777)

UPDATE ON SUSPENSION OF TRADING

References are made to the announcements of China Fiber Optic Network System Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") (i) dated 12 October 2017 regarding, inter alia, the appointment of Joint and Several Liquidators of the Company (the "**Liquidators**") and exploratory discussions regarding the possibility of a restructuring; (ii) dated 23 March 2018 regarding the updates on suspension of trading of the Company; (iii) dated 25 April 2018 regarding the delay in publication of Annual Results and Interim Results and despatch of Annual Reports and Interim Report of the Company; and (iv) dated 18 May 2018 regarding the placing of the Company into the third delisting stage and the conditions for resumption of trading in its shares imposed on the Company by The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

UPDATE ON BUSINESS OPERATIONS OF THE GROUP

The Group previously engaged in the manufacture and sale of a full spectrum of active and prime optical interconnection equipment.

Reference is made to the announcement of the Company dated 12 October 2017 in which it was mentioned, inter alia, that the Liquidators had been appointed by the High Court of the Hong Kong Special Administrative Region on 20 September 2017.

As at the date of this announcement, the Liquidators have not obtained access to the books and records of certain major subsidiaries of the Company, including Hebei Sifang Telecommunication Equipment Co., Ltd. ("**Sifang Telecom**"), due to the lack of cooperation from the relevant management. While the Liquidators have taken action with the objective of gaining control over the major subsidiaries (including the commencement of legal proceedings against Sifang Telecom), the Liquidators are currently not able to confirm that the Company has control over the

major subsidiaries. The Liquidators are of the view that any operations of the Group since their appointment have been minimal.

UPDATE ON RESUMPTION PLAN

Reference is made to the Company's announcements dated 23 March 2018 and 12 October 2017 where, among other things, it was stated that the Liquidators had been in exploratory discussions with various parties regarding the possibility of a restructuring of the Company and regarding options available to the Company in formulating a viable resumption proposal.

This process is continuing and further announcements will be made by the Company as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Reference is made to the Company's announcement dated 13 October 2016, which stated, among other things, that the Company noted that the Securities and Futures Commission (the "**SFC**") had exercised its power under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (the "**SFC Rules**"), to direct Stock Exchange to suspend all dealings in the shares of the Company with effect from 9:00 a.m. on 13 October 2016.

In a letter dated 11 October 2016 issued by the SFC to the Company (the "**Letter**"), the SFC made it clear that it had serious concerns regarding financial information that had been disclosed by the Company. The SFC explained in the Letter that it had been minded to exercise its power under Rule 8(1) of the SFC Rules to suspend trading in the shares of the Company because it appeared to the SFC at the time that:

- (1) materially false, incomplete or misleading information had been included in documents issued by the Company, i.e. its IPO prospectus issued on 16 June 2011, annual reports for 2011 and 2012 and related result announcements issued on 19 March 2012 and 28 March 2013 respectively and the clarification announcement made by the Company on 30 September 2015;
- (2) it was necessary or expedient to suspend trading in the shares of the Company in the interest of maintaining an orderly and fair market in the shares of the Company; and
- (3) it was in the interest of the investing public or in the public interest, or it was appropriate for the protection of investors generally or for the protection of investors in the shares of the Company to do so.

The SFC considered it necessary to direct Stock Exchange, under Rule 8(1) of the SFC Rules, to suspend trading in the shares of the Company with effect from 9:00 a.m. on 13 October 2016. Trading in the shares of the Company will remain suspended until further notice and until full satisfaction of the resumption conditions mentioned in the announcement of the Company dated

18 May 2018 and any other further conditions or modifications to the existing conditions that may be imposed by Stock Exchange.

For and on behalf of
China Fiber Optic Network System Group Ltd.
(In Liquidation)
Lai Kar Yan (Derek)
Yeung Lui Ming (Edmund)
Ho Kwok Leung Glen
Joint and Several Liquidators
Acting as agents without personal liability

Hong Kong, 7 August 2018

As at the date of this announcement, the sole director of the Company is Mr. Zhao Bing.