
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yangtze Optical Fibre and Cable Joint Stock Limited Company*, you should at once hand this circular together with the accompanying proxy form and reply slip to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Smart Link Better Life.

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)

REPORT OF THE BOARD FOR THE YEAR 2018

REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2018

REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2018

2018 ANNUAL REPORT

FINAL FINANCIAL REPORT FOR THE YEAR 2018

PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018

**PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE
COMPANY FOR THE YEAR 2019**

**PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS,
SUPERVISORS AND SENIOR MANAGEMENT**

AND

NOTICE OF ANNUAL GENERAL MEETING

Letter from the Board is set out on pages 3 to 10 in this circular.

A notice convening the AGM to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 28, 2019 at 1:00 p.m. is set out on pages 17 to 19 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned by holder of H Shares to the Company's H Share registrar, Tricolor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by hand or by post not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share registrar, Tricolor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before Tuesday, May 7, 2019.

References to time and dates in this circular are to Hong Kong time and dates.

* For identification purpose only

April 12, 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 28, 2019 at 1:00 p.m., or any adjournment thereof
“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the SSE (stock code: 601869)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“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 SSE and the Main Board of the Stock Exchange, respectively
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“H Shares”	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 (stock code: 6869)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Shares and/or H Shares

* For identification purpose only

DEFINITIONS

“Shareholder(s)”	holders of Shares
“SSE”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“Supervisors”	the supervisors of the Company

LETTER FROM THE BOARD



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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)

Executive Directors:

Mr. ZHUANG Dan
Mr. Frank Franciscus DORJEE

Non-executive Directors:

Mr. MA Jie (Chairman)
Mr. YAO Jingming
Mr. Philippe Claude VANHILLE
Mr. Pier Francesco FACCHINI
Mr. XIONG Xiangfeng
Ms. ZHENG Huili

Independent Non-executive Directors:

Dr. NGAI Wai Fung
Dr. IP Sik On Simon
Mr. LI Ping
Dr. LI Zhuo

Registered Office:

No. 9 Guanggu Avenue
East Lake High-tech
Development Zone
Wuhan, Hubei Province
PRC

Principal Place of Business in Hong Kong:

Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

April 12, 2019

To the Shareholders

Dear Sir or Madam,

REPORT OF THE BOARD FOR THE YEAR 2018
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2018
REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2018
2018 ANNUAL REPORT
FINAL FINANCIAL REPORT FOR THE YEAR 2018
PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018
PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE
COMPANY FOR THE YEAR 2019
PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS
AND SENIOR MANAGEMENT
AND
NOTICE OF ANNUAL GENERAL MEETING

* For identification purpose only

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and information in respect of the resolutions to be proposed at the AGM including (i) the report of the Board for the year 2018; (ii) the report of the Board of Supervisors for the year 2018; (iii) the report of the independent Directors for the year 2018; (iv) the 2018 annual report of the Company; (v) the final financial report for the year 2018; (vi) the proposed profit distribution plan for the year 2018; (vii) the re-appointment of KPMG Huazhen LLP as the independent auditors of the Company for the year 2019; and (viii) the purchase of liability insurance for the Directors, Supervisors and senior management.

2. REPORT OF THE BOARD FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for the year 2018, the text of which will be set out in the 2018 annual report of the Company.

3. REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board of Supervisors for the year 2018, the text of which will be set out in the 2018 annual report of the Company.

4. REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2018

An ordinary resolution will be proposed at the AGM to consider and approve the report of the independent Directors for the year 2018, the text of which is set out in Appendix I to this circular.

5. 2018 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to consider and approve the 2018 annual report of the Company. The audited financial statements were prepared in accordance with China Accounting Standards for Business Enterprises and the full text of the independent auditors' report for the year 2018 will be set out in the 2018 annual report of the Company.

6. FINAL FINANCIAL REPORT FOR THE YEAR 2018

According to the consolidated financial statements of the Company audited by KPMG Huazhen LLP, the key highlights of the final financial report for 2018 of the Company are as follows:

- (i) In 2018, the revenue of the Company was RMB11,360 million, the profit for the year attributable to equity shareholders of the Company was RMB1,489 million, and the earnings per share was RMB2.09.

LETTER FROM THE BOARD

- (ii) As at December 31, 2018, the total assets of the Company was RMB12,886 million, the total liabilities were RMB4,510 million, the total equity attributable to equity shareholders of the Company was RMB8,188 million, and the total liabilities were 35% of the total assets of the Company.
- (iii) For the year ended December 31, 2018, the net cash generated from operating activities was RMB565 million, the net cash used in investing activities was RMB1,530 million, and the net cash generated from financing activities was RMB1,784 million.

7. PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018

The Company's distributable net profit in 2018 was RMB927,107,719, and the accumulated distributable net profit was RMB2,722,678,758. Considering that the Company has distributed an interim dividend in December 2018, the profit (dividend) distribution plan proposed by the Company is as follows: based on the total share capital of 757,905,108 Shares issued and listed as of December 31, 2018, the Board proposed to distribute a dividend of RMB2.50 per 10 Shares (inclusive of tax), with the total dividends amounting to approximately RMB189,476,277 (inclusive of tax). The expected payment date is on or before July 26, 2019. The proposed dividend is subject to approval by Shareholders at the AGM to be held on May 28, 2019 by the Company. Should the proposal be approved, the dividend for holders of A Shares, including holders of A Shares through the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect (hereinafter referred to as the "**Northbound Shareholders**") and holders of H Shares through the Southbound Trading Link (including Shanghai and Shenzhen markets, hereinafter referred to as the "**Southbound Shareholders**") will be declared and paid in RMB. Dividends to holders of H Shares, except the Southbound Shareholders, are paid in Hong Kong dollars. The exchange rate will be calculated as per the average exchange rate for converting RMB into Hong Kong dollars published by the People's Bank of China during the five business days prior to the AGM.

With respect to the Southbound Shareholders, according to the relevant requirements of China Securities Depository and Clearing Corporation Limited, China Securities Depository and Clearing Corporation Limited ("**CSDC**") Shanghai Branch and Shenzhen Branch shall receive cash dividends distributed by the Company as the nominee of the Southbound Shareholders for Shanghai market and Shenzhen market, respectively and distribute such cash dividends to the relevant Southbound Shareholders through its depository and clearing system.

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules effective on January 1, 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from January 1, 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the final dividend as enterprise income tax, distribute the final dividend to non-resident enterprise shareholders, i.e. any shareholders who hold the Company's shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups.

LETTER FROM THE BOARD

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Guo Shui Fa [2015] No. 60) (《國家稅務總局關於發佈〈非居民納稅人享受稅收協定待遇管理辦法〉的公告》(國稅發[2015] 60號)) (the “**Tax Treaties Notice**”), the Notice of the State Administration of Taxation on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), other relevant laws and regulations and other regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the dividend to be distributed to them. However, the individual holders of H Shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled and the tax arrangements between Mainland China, Hong Kong or Macau. For individual holders of H Shares in general, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares in the distribution of the dividend. However, the tax rates applicable to individual holders of H Shares overseas may vary depending on the tax treaties between the PRC and the countries (regions) in which the individual holders of H Shares are domiciled, and the Company will withhold and pay individual income tax on behalf of the individual holders of H Shares in the distribution of the dividend accordingly.

For Northbound Shareholders, with regard to the dividends obtained by the investors (including enterprises and individuals) from investment in the A Shares of the Company listed on Shanghai Stock Exchange through the Hong Kong Stock Exchange, the Company will withhold income tax at the rate of 10%, and file tax withholding returns with the competent tax authority. Where there is any tax resident of a foreign country out of the investors through the Northbound Trading Link and the rate of income tax on dividends is less than 10%, as provided for in the tax treaty between the country and the PRC, the enterprise or individual may personally, or entrust a withholding agent to, file an application for the tax treatment under the tax treaty with the competent tax authority of the Company. Upon review, the competent tax authority will refund tax based on the difference between the amount of tax having been collected and the amount of tax payable calculated at the tax rate as set out in the tax treaty.

For Southbound Shareholders, in accordance with the Notice of Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No.81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), effective from November 17, 2014, and the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), effective from December 5, 2016, with regard to the dividends obtained by individual mainland investors from investment in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock

LETTER FROM THE BOARD

Connect, the Company will withhold their individual income tax at the rate of 20% in accordance with the register of individual mainland investors provided by CSDC. As to the withholding tax having been paid abroad, an individual investor may file an application for tax credit with the competent tax authority of CSDC with an effective credit document. With respect to the dividends obtained by mainland securities investment funds from investment in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their income tax with reference to the provisions concerning the collection of tax on individual investors. The Company will not withhold income tax on dividends obtained by mainland enterprise investors, and mainland enterprise investors shall file their income tax returns and pay tax themselves instead.

Holders of H Shares are advised to consult their own tax advisers about the tax effect in China, Hong Kong and/or other countries (regions) in respect of owning and disposing of H Shares if they are in any doubt as to the above arrangements.

8. PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY FOR THE YEAR 2019

An ordinary resolution will be proposed at the AGM to consider and approve the proposed re-appointment of KPMG Huazhen LLP as the independent auditors of the Company for the year 2019, which will hold office until the conclusion of the next annual general meeting of the Company.

9. PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Since November 2014, the Company has purchased relevant liability insurance for Directors, Supervisors and senior management of the Company. The term of the current insurance will expire on June 30, 2019. The Board has resolved to propose that the Company shall continue to purchase liability insurance for Directors, Supervisors and senior management of the Company. The main terms for the liability insurance are as follows:

- (i) Policyholder: Yangtze Optical Fibre and Cable Joint Stock Limited Company*
(長飛光纖光纜股份有限公司)
- (ii) Insured persons: Directors, Supervisors and senior management of the Company
- (iii) Amount insured: USD50,000,000
- (iv) Term: 1 year

LETTER FROM THE BOARD

The Board intends to propose at the AGM to authorize the chairman of the Company within the above authority to handle any matters in relation to the purchase of liability insurance for Directors, Supervisors and senior management (including but not limited to, determining the scope of the insured, the insurance company, the amount insured, the premium and other insurance terms; selecting and appointing an insurance brokerage company or other intermediary agencies; executing relevant legal documents and dealing with other insurance related issues, etc.) and renew the liability insurance contract or enter into a new liability insurance contract upon or before the expiration of such liability insurance for Directors, Supervisors and senior management of the Company.

10. AGM

The Board proposed to convene the AGM, to consider and, if thought fit, approve (i) the report of the Board for the year 2018; (ii) the report of the Board of Supervisors for the year 2018; (iii) the report of the independent Directors for the year 2018; (iv) the 2018 annual report of the Company; (v) the final financial report for the year 2018; (vi) the proposed profit distribution plan for the year 2018; (vii) the re-appointment of KPMG Huazhen LLP as the independent auditors of the Company for the year 2019; and (viii) the purchase of liability insurance for the Directors, Supervisors and senior management, at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 28, 2019 at 1:00 p.m.. The Company has provided holders of H Shares with the notice of the AGM, form of proxy and reply slip.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned by holder of H Shares to the Company's H Share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by hand or by post not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before Tuesday, May 7, 2019.

LETTER FROM THE BOARD

11. CLOSURE OF REGISTER OF MEMBERS

In order to determine the holders of H Shares who are qualified to attend the AGM and entitled to the proposed dividend (subject to approval of the Shareholders), the Company will suspend registration of H Share transfer on the following dates:

so as to determine the holders of H Shares who are qualified to attend and vote at the AGM:

Latest time for lodging transfers of H Shares	4:30 p.m., Friday, April 26, 2019
Closure date of H Share register of members	from Saturday, April 27, 2019 to Tuesday, May 28, 2019 (both days inclusive)
Record Date	Friday, April 26, 2019
Date of the AGM	Tuesday, May 28, 2019

so as to determine the holders of H Shares who are entitled to the proposed dividend:

Latest time for lodging transfers of H Shares	4:30 p.m., Thursday, June 6, 2019
Closure date of H Share register of members	from Friday, June 7, 2019 to Wednesday, June 12, 2019 (both days inclusive)
Dividend Entitlement Date	Wednesday, June 12, 2019

In order for the holders of H Shares to be qualified to attend and vote at the AGM and be entitled to the proposed dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before the aforesaid deadline for lodging the transfer documents (for holders of H Shares).

Holders of H Shares whose names appear on the register of members of the Company on Wednesday, June 12, 2019 (the "**Dividend Entitlement Date**") are entitled to the proposed dividend of the Company (subject to approval of the Shareholders).

Shareholders of the Company should read this paragraph carefully. Should there be anyone who intends to change his/her identity as a Shareholder, please seek advice on the relevant procedures from the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identities of the Shareholders. In addition, the Company will withhold corporate income tax and individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H Share register of members as at the Dividend Entitlement Date, and will not entertain or assume responsibility for any requests or claims in relation to any delay or inaccuracies in ascertaining the identities of the Shareholders or any disputes over the arrangements for withholding the corporate income tax and individual income tax.

LETTER FROM THE BOARD

12. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

13. RECOMMENDATIONS

The Board considers that the resolutions proposed for consideration and approval by Shareholders at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the resolutions to be proposed at the AGM.

14. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully
For and on behalf 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

* *For identification purpose only*

REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2018

In 2018, pursuant to the Company Law of the People's Republic of China and the Guiding Opinions on Establishing the Independent Director System in Listed Companies, the independent directors (the "**Independent Directors**") of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司) (the "**Company**") had performed their obligations and duties with diligence by attending the board meetings of the Company and providing their written opinions on Phase I of Employee Share Ownership Plan of the Company, use of A share offering proceeds, related party transactions, profit distribution, change of senior manager, guarantee, performance-related salaries plan, financial statements, re-appointment of auditors and purchase of shares, etc. The Independent Directors contributed to the interest of the Company and its shareholders, especially that of the minority shareholders of the Company. The performance of the Independent Directors in 2018 are reported as follows:

I. **Brief Introduction**

In 2018, there were four Independent Directors (i.e. Dr. NGAI Wai Fung, Dr. IP Sik On Simon, Mr. LI Ping, Dr. LI Zhuo), representing one third of the total number of directors of the Company. Each of the Independent Directors has expertise in law, economic and/or finance. Therefore, the requirements of applicable laws and regulations concerning the number of independent directors and their professionalism are satisfied. In the Working Rules for Independent Directors and the Procedural Rules for Special Committees, the Company specified the policies and procedures relating to qualifications, nominations, elections and change of directors of the Company and relevant rights and obligations to ensure that Independent Directors are able to fulfill their responsibilities independently and cautiously. All Independent Directors concurrently held position in less than five other domestic listed companies, and they were not subject to any circumstances that might affect their independence.

Name	Work experience	Professional background	Other positions	Whether the independence will be affected
Dr. NGAI Wai Fung	Director and the chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited, and managing director of MNCOR Consulting Limited	Accounting	Independent director of : Bosideng International Holdings Limited; Powerlong Real Estate Holdings Limited; BaWang International (Group) Holding Limited; Health and Happiness (H&H) International Holdings Limited; SITC International Holdings Company Limited; LDK Solar Co., Ltd.; Beijing Capital Grand Limited; BMG Corporation; TravelSky Technology Limited; SPI Energy Co., Ltd; China Communications Construction Company Limited;	No

* For identification purpose only

Name	Work experience	Professional background	Other positions	Whether the independence will be affected
Dr. IP Sik On Simon	Retired	Legal	Independent director of Hang Lung Group Limited	No
Mr. LI Ping	Retired	Management	N/A	No
Dr. LI Zhuo	Professor in economics and management of Wuhan University	Economics	N/A	No

II. Performance of Duties and Obligations

a. Attendance of Meetings

The Company held 9 board meetings in 2018, and the attendance of each Independent Directors is as follows:

Name	Meetings Held	Attend in Person	Attend by Proxy	Absence
NGAI Wai Fung	9	9	0	0
IP Sik On Simon	9	9	0	0
LI Ping	9	9	0	0
LI Zhuo	9	9	0	0

The Company held 11 committee meetings in 2018, among which 9 were of audit committee, and the 2 were of nomination and remuneration committee, and the attendance of each Independent Directors is as follows (attendance/number of meetings held):

Name	Audit Committee	Nomination and Remuneration Committee
NGAI Wai Fung	9/9	N/A
IP Sik On Simon	9/9	2/2
LI Ping	N/A	2/2
LI Zhuo	9/9	N/A

The Independent Directors had reviewed the proposals submitted to the board meetings and/or the committee meetings and conducted communication with relevant officers, so as to exercise their voting rights prudently and objectively.

b. *Non-meeting period*

During the non-meeting period, the Independent Directors had reviewed the documents provided by the Company in respect of the Company's business, operations, and prospect, so as to keep up on the development of the industry, the Company and the relevant regulatory requirements. Besides, the Independent Directors were informed of the operation of and risks incurred by the Company by relevant departments, subsidiaries and/of officers, and had advised the Company thereon. They had performed their duties and obligations owed to the shareholders of the Company faithfully and prudently, so as to protect the interest thereof.

III. Major Concerns in 2018

a. *Related Party Transactions*

On March 23, 2018, the Independent Directors reviewed the proposal with respect to confirmation of related party transactions during the ordinary and usual course of business for 2017 and the expected related party transactions during the ordinary and usual course of business for 2018, which was approved at the 13th meeting of the 2nd term of the Board, and issued independent opinion that relevant related party transactions were transparent, fair and reasonable, in compliance with the interest of the Company and its shareholders, and will not damage the interests of the Company or its shareholders, especially that of minority and non-related shareholders of the Company.

On December 13 and 14, 2018, the Independent Directors reviewed the proposal for the estimated amount of related party transactions during the ordinary and usual course of business for 2019, which was approved at the 19th meeting of the 2nd term of the Board, and issued independent opinion that the related party transactions during the ordinary and usual course of business in 2019 were to satisfy the demand of daily operations of the Company and necessary approval procedures were duly conducted. All the approval procedures were in compliance with relevant laws and regulations and were effective. The related party transactions during the ordinary and usual course of business did not damage the interest of the Company or its shareholders, especially that of the minority shareholders of the Company.

b. *Use of proceeds from A share offering*

On July 27, 2018, the Independent Directors reviewed the proposal for providing interest-free loan to the Company's wholly-owned subsidiary using proceeds from the A share offering in order to implement investment projects, which was approved at the 16th meeting of the 2nd term of the Board, and issued independent opinion that the interest-free loan was based on the construction needs of the investment project, did not violate the implementation of the project and would not affect the progress of the project.

On August 23 and 24, 2018, the Independent Directors reviewed the proposal regarding the cash management plan for idle proceeds from the Company's A share offering, which was approved at the 17th meeting of the 2nd term of the Board, and issued independent opinion that the proposed cash management could improve the effective usage of the proceeds and improve the return for the Company and its shareholders. The cash management did not violate the implementation of the investment project, would not affect the progress of the investment project, and did not change the intended use of the proceeds, nor would it damage the interest of the Company or shareholders, especially that of the minority shareholders of the Company.

c. Phase I of Employee Share Ownership Plan of the Company (draft) and its Summary

On December 13 and 14, 2018, the Independent Directors reviewed the proposal for Phase I of Employee Share Ownership Plan of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (draft) and its summary, which was approved at the 19th meeting of the 2nd term of the Board and issued independent opinion that the plan was in accordance with relevant laws, regulations and articles of association of the Company. The implementation of the plan would not damage the interests of the Company and its shareholders. The plan would facilitate the establishment of a long-term incentive mechanism, utilise full potential of core staff, combine the development of the Company with that of outstanding employees, optimise interest sharing and restriction mechanism, and ensure the future development of the Company.

On December 13 and 14, 2018, the Independent Directors reviewed the proposal Management Measures on Phase I of Employee Share Ownership Plan of the Company, which was approved at the 19th meeting of the 2nd term of the Board and issued independent opinion that the purpose of the measures was to ensure the successful implementation of the Phase I of Employee Share Ownership Plan of the Company, ensure its compliance, and is beneficial to the long term development of the Company.

d. Guarantee

On December 13 and 14, 2018, the Independent Directors reviewed the proposal on the 2019 annual guarantee cap of the Company's subsidiaries for, which was approved at the 19th meeting of the 2nd term of the Board and issued independent opinion that the guarantee for the Company's subsidiaries was based on operational needs, that there were no recourses or interest transfer, and that it was in the interests of the Company and its shareholders.

e. Profit distribution

On August 23 and 24, 2018, the Independent Directors reviewed the proposal for the 2018 interim profit distribution plan, which was approved at the 17th meeting of the 2nd term of the Board, and issued independent opinion that the plan considered the actual situation of the Company and the future development strategy, and combined the interests of the shareholders and the sustainable growth of the Company. The plan was in accordance with relevant laws, regulations and internal regulations of the Company, and relevant approval procedures were duly conducted.

f. *Change of senior management*

On August 23 and 24, 2018, the Independent Directors reviewed the proposal on change of secretary to the board of Directors, which was approved at the 17th meeting of the 2nd term of the Board, and issued independent opinion that such change was duly approved according to relevant laws, regulations and articles of association of the Company.

g. *Re-appointment of auditors*

On March 23, 2018, the Independent Directors reviewed the proposal on re-appointment of KPMG Huazhen LLP as the auditors of the Company for 2018, which was approved at the 13th meeting of the 2nd term of the Board, and issued independent opinion that in view of KPMG Huazhen LLP's professionalism and the recommendations from the audit committee of the Company, management of the Company proposed that the Company should re-appoint KPMG Huazhen LLP as the auditors for 2018. It was in line with the interests of the Company and its shareholders and would not damage the interest of the Company or its shareholders, especially that of the minority shareholders of the Company.

h. *Purchase of shares*

On March 23, 2018, the Independent Directors reviewed the proposal on the purchase of 20% of shares of Wuhan YOFC Cable Co., Ltd.* (武漢長飛通用電纜有限公司), which was approved at the 13th meeting of the 2nd term of the Board, and issued the following independent opinion: Wuhan Yangtze Communication Industry Group Co., Ltd. issued an announcement on February 13, 2018 that it planned to transfer its 20% shares of Wuhan YOFC Cable Co., Ltd.* (武漢長飛通用電纜有限公司) through public equity exchange. The Company proposed to participate in the purchase of such shares through the assets exchange. The transfer was on a voluntary, honest, fair and open basis, and was in line with fair market value. The transfer was in line with the interests of the Company and its shareholders, and would not damage the interest of the Company or its shareholders, especially that of the minority and non-related shareholders of the Company.

i. *Financial statements*

On March 23, 2018, the Independent Directors reviewed the proposal on the financial statements for the year ended December 31, 2017 prepared in accordance with International Financial Reporting Standards, which was approved at the 13th meeting of the 2nd term of the Board, and issued independent opinion: the Board has obtained approval from the Independent Directors before the aforementioned proposal was considered. The statements were prepared both under China Accounting Standards for Business Enterprises and International Financial Reporting Standards, and were in line with the interests of the Company and its shareholders and would not damage the interest of the Company or its shareholders, especially that of the minority shareholders of the Company.

The Independent Directors were of the view that the review and approval procedures for the financial statements were in accordance with relevant laws and regulations, and were in line with the interests of the Company and its shareholders and would not damage the interest of the Company or its shareholders, especially that of the minority shareholders of the Company.

* For identification purpose only

j. *Performance-related salaries plan*

On March 23, 2018, the Independent Directors reviewed the performance-related salaries plan for the year 2017, which was approved at the 13th meeting of the 2nd term of the Board, and issued independent opinion: the Board has obtained approval from the Independent Directors before the aforementioned proposal was considered.

The Independent Directors were of the view that the review and approval procedures for the plan were in accordance with relevant laws and regulations, and were in line with the interests of the Company and its shareholders and would not damage the interest of the Company or its shareholders, especially that of the minority shareholders of the Company.

IV. Conclusion

In 2018, the Independent Directors had performed their duties and obligations faithfully, and advised the Company with their professional knowledge. Besides, they provided opinions independently and objectively on certain material matters, so as to protect the interest of all shareholders of the Company.

In 2019, the Independent Directors will continue to perform their duties and obligations and supervise the operation of the Company independently and objectively, so as to protect the interest of shareholders of the Company, especially that of the minority shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



Smart Link Better Life.

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)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM” or the “Meeting”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (the “Company”) will be held on Tuesday, May 28, 2019 at 1:00 p.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purpose of considering and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To approve the report of the Board for the year 2018;
2. To approve the report of the Board of Supervisors for the year 2018;
3. To approve the report of the independent Directors for the year 2018;
4. To approve the 2018 annual report of the Company;
5. To approve the final financial report for the year 2018;
6. To approve the proposed profit distribution plan for the year 2018;
7. To approve the re-appointment of KPMG Huazhen LLP as independent auditors of the Company for the year 2019; and
8. To approve the purchase of liability insurance for the Directors, Supervisors and senior management.

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, April 12, 2019

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

(1) **Circular**

Details of the above proposed resolutions to be considered at the AGM are set out in the circular of the Company dated April 12, 2019 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

(2) **Closure of register of members and eligibility for attending the AGM**

Holders of H shares of the Company (“**H Shares**”) are advised that the register of members will be closed from Saturday, April 27, 2019 to Tuesday, May 28, 2019 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Friday, April 26, 2019 are entitled to attend the AGM. Holders of H Shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Friday, April 26, 2019.

(3) **Closure of register of members and entitlement to the proposed dividend**

To ascertain the entitlement to the proposed dividend, holders of H Shares are advised that the register of members will be closed from Friday, June 7, 2019 to Wednesday, June 12, 2019 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Wednesday, June 12, 2019 are entitled to the proposed dividend of the Company (subject to approval of the Shareholders). In order to qualify for the proposed dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Thursday, June 6, 2019.

(4) **Proxy**

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a body corporate, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarised. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company by the holder of H Shares by hand or by post not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 1:00 p.m. on Monday, May 27, 2019) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

(5) **Reply Slip**

Holders of H Shares who intend to attend the AGM in person or by proxy should return the reply slip by hand, by fax or by post to the H Share registrar of the Company, Tricor Investor Services Limited on or before Tuesday, May 7, 2019. The address of Tricor Investor Services Limited is Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong (Tel: (852) 2980 1333, Fax: (852) 2810 8185).

NOTICE OF THE ANNUAL GENERAL MEETING

(6) **Joint holder of shares**

In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

(7) **Voting by poll**

On a poll, every member present in person or by proxy shall be entitled to one vote for each share of the Company registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.

(8) **Other issues**

The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation, catering and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identification documents.

The AGM starts at 1:00 p.m.. Registration for admission to the AGM will take place from 12:00 noon to 1:00 p.m..

References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises Zhuang Dan and Frank Franciscus Dorjee, as executive directors; Ma Jie, Yao Jingming, Philippe Claude Vanhille, Pier Francesco Facchini, Xiong Xiangfeng and Zheng Huili, as non-executive directors; Ngai Wai Fung, Ip Sik On Simon, Li Ping and Li Zhuo, as independent non-executive directors.

* *For identification purpose only*