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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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**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)**

**2014 PROFIT DISTRIBUTION PLAN  
PROPOSED ELECTION OF INDEPENDENT SUPERVISORS  
PROPOSED ADOPTION OF PROCEDURAL RULES  
FOR THE GENERAL MEETING AND PROCEDURAL RULES  
FOR THE BOARD MEETING  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening 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, June 9, 2015 at 10:00 a.m. is set out on pages 57 to 60 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 to the Company's H share registrar, Tricor Investor Services Limited, for holder of H Shares and to the Company's Board of Directors' Office for holder of Domestic Shares 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, or to the Company's Board of Directors' Office on or before Wednesday, May 20, 2015.

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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 for the year 2014 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, June 9, 2015 at 10:00 a.m., or any adjournment thereof
“AGM Notice”	the notice for convening the AGM as set out on pages 57 to 60 of this circular
“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 H Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Domestic Shares”	ordinary shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“IFRS”	the International Financial Reporting Standards
“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, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

## DEFINITIONS

“PRC GAAP”	the generally accepted accounting policies in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Procedural Rules for the Board Meeting”	Rules of Procedures for the Board of Directors of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Procedural Rules for the General Meeting”	Rules of Procedures for the General Meeting of Yangtze Optical Fibre and Cable Joint Stock Limited Company
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisors of the Company

LETTER FROM THE BOARD



**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. WEN Huiguo (*Chairman*)  
Mr. Frank Franciscus DORJEE

*Non-executive Directors:*

Mr. MA Jie  
Mr. SUN Jiming  
Mr. Philippe Claude Vanhille  
Mr. YEUNG Kwok Ki Anthony  
Mr. XIONG Xiangfeng  
Ms. ZHENG Huili

*Independent Non-executive Directors:*

Mr. NGAI Wai Fung  
Mr. IP Sik On Simon  
Mr. LI Ping  
Mr. 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 24, 2015

*To the Shareholders*

Dear Sir or Madam,

**2014 PROFIT DISTRIBUTION PLAN  
PROPOSED ELECTION OF INDEPENDENT SUPERVISORS  
PROPOSED ADOPTION OF PROCEDURAL RULES  
FOR THE GENERAL MEETING AND PROCEDURAL RULES  
FOR THE BOARD MEETING  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

At the forthcoming AGM, resolutions will be proposed to seek Shareholders' approval for, among other things, (i) the 2014 profit distribution plan; (ii) the election of the independent Supervisors; and (iii) the adoption of the Procedural Rules for the General Meeting and the Procedural Rules for the Board Meeting.

\* *For identification only*

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the 2014 profit distribution plan, the proposed election of the independent Supervisors, the proposed adoption of the Procedural Rules for the General Meeting and the Procedural Rules for the Board Meeting, and the notice of AGM.

### 2. 2014 PROFIT DISTRIBUTION PLAN

The Company's distributable net profit for the year ended December 31, 2014 is RMB425.6 million, which is the lesser of the net profit for the year ended December 31, 2014 as determined in accordance with the IFRS and the net profit for the year ended December 31, 2014 as determined in accordance with the PRC GAAP. Pursuant to the provisions of relevant laws and regulatory requirements, the 2014 profit distribution plan of the Company is as follows:

- (1) RMB48 million will be appropriated to the statutory surplus reserves, which is calculated based on the net profit for the year ended December 31, 2014 as determined in accordance with the PRC GAAP.
- (2) RMB24 million will be appropriated to the discretionary reserves, which is calculated based on the net profit for the year ended December 31, 2014 as determined in accordance with the PRC GAAP.
- (3) A cash dividend of RMB0.166 per Share (before tax) will be paid to Shareholders whose names appear on the register of members of the Company on June 18, 2015 after close of trading. Based on the Company's total issued share capital as at December 31, 2014, the total amount of cash dividends to be distributed shall be approximately RMB106.2 million, representing approximately 30% of the total amount of the distributable net profit attributable to the Shareholders for the year ended December 31, 2014.

The above 2014 profit distribution plan of the Company was considered and approved by the meeting of the Board which was held on March 27, 2015, and is hereby submitted to the AGM for consideration and approval.

### 3. ELECTION OF INDEPENDENT SUPERVISORS

Due to changes in work arrangement, Mr. Yao Jingming and Ms. Yu Jiaxuan have resigned from the position as Supervisor. The resignation of Mr. Yao and Ms. Yu from the position as Supervisor took effect from the resignation being approved by the Board of Supervisors on March 27, 2015. Mr. Yao and Ms. Yu will continue to perform duties as Supervisors until the proposed election of Mr. Liu Deming and Ms. Li Chang'ai as new Supervisors is approved by the Shareholders at the AGM.

Each of Mr. Yao Jingming and Ms. Yu Jiaxuan has confirmed that he/she has no disagreement with the Board and the Board of Supervisors, and did not have any matters in relation to their resignation that needs to be brought to the attention of the Shareholders.

## LETTER FROM THE BOARD

In accordance with the Opinions on Further Promotion of Standardizing Operations and Intensifying Reform of Overseas Listed Companies (Guojingmaoqigai No. [1999]230) (《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999]230號)), the Company shall have a number of external Supervisors comprising of half or more of the Board of Supervisors, among whom, two or more shall be independent Supervisors. The Board of Supervisors therefore proposed that each of Mr. Liu Deming and Ms. Li Chang'ai to be elected as an independent Supervisor, subject to the approval by Shareholders by way of ordinary resolutions at the AGM. The terms of office of Mr. Liu and Ms. Li as independent Supervisors shall commence on the date when the resolutions on their respective appointments are approved at the AGM and end on the expiry of the term of the first session of the Board of Supervisors. The Company will enter into a service contract with each of Mr. Liu Deming and Ms. Li Chang'ai upon the approval of their respective appointments at the AGM. If the elections of Mr. Liu and Ms. Li are approved by the Shareholders at the AGM, the Board of Supervisors proposed that each of Mr. Liu and Ms. Li shall be entitled to receive the remuneration of RMB150,000 per annum, respectively, for serving as the independent Supervisors. Such remuneration are payable on a time pro-rata basis for any non-full year's service.

The biographical details of Mr. Liu and Ms. Li are set out in Appendix I to this circular.

Save as disclosed herein, there is no other information relating to the proposed election of Mr. Liu Deming and Ms. Li Chang'ai that shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any matters which need to be brought to the attention of the Shareholders.

#### **4. ADOPTION OF THE PROCEDURAL RULES FOR THE GENERAL MEETING AND THE BOARD MEETING**

In order to protect the legal rights and interests of the Company and its Shareholders, to explicitly specify the authorities and responsibilities of the general meeting, and to regulate the proceedings and the decision making procedures of the Board, the Board proposed to adopt the Procedural Rules for the General Meeting and the Procedural Rules for the Board Meeting.

The two procedural rules will be subject to the Shareholders' approval by way of special resolutions at the AGM. The Procedural Rules for the General Meeting and the Procedural Rules for the Board Meeting are set out in Appendix II and Appendix III, respectively, to this circular.

#### **5. AGM**

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, June 9, 2015 at 10:00 a.m. is set out on pages 57 to 60 of this circular. At the AGM, ordinary resolutions will be proposed to approve, among other things, the 2014 profit distribution plan and the proposed election of the independent Supervisors, and special resolutions will be proposed to approve the adoption of the Procedural Rules for the General Meeting and the Procedural Rules for the Board Meeting.

## LETTER FROM THE BOARD

In order to determine the holders of H Shares who are entitled to attend the AGM, the H Shares register of members of the Company will be closed from Sunday, May 10, 2015 to Tuesday, June 9, 2015 (both days inclusive), during which period no transfer of H Shares will be effected. 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, at or before 4:30 p.m. on Friday, May 8, 2015. Holders of H Shares whose names appear on the H Shares register of members of the Company at the close of business on Friday, May 8, 2015 are entitled to attend the AGM.

A reply slip and a proxy form for use at the AGM is enclosed with 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 to the Company's H share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for holder of H Shares and to the Company's Board of Directors' Office at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) for holder of Domestic Shares 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, for holder of H Shares or to the Company's Board of Directors' Office for holder of Domestic Shares on or before Wednesday, May 20, 2015.

### **6. VOTING BY WAY OF 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.

### **7. RECOMMENDATION**

The Directors consider the 2014 profit distribution plan, the proposed election of the independent Supervisors, and the adoption of the Procedural Rules for the General Meeting and the Procedural Rules for the Board Meeting are all in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant ordinary resolutions and special resolutions to be proposed at the AGM.



**LETTER FROM THE BOARD**

**8. FURTHER INFORMATION**

Your attention is also 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  
**Wen Huiguo**  
*Chairman*

\* *For identification purposes only*

## APPENDIX I PARTICULARS OF SUPERVISORS PROPOSED FOR ELECTION

The biographical details of the candidates proposed to be elected as independent Supervisors are set out as follows:

### **Mr. Liu Deming (劉德明)**

Mr. Liu Deming (劉德明), age 58, is currently a professor of Huazhong University of Science and Technology (華中科技大學), a member of the expert committee of China Next Generation Internet (中國下一代互聯網), an executive director of Chinese Society for Optical Engineering (中國光學工程學會), the director of the National Engineering Laboratory for Next Generation Internet Access System (下一代互聯網接入系統國家工程實驗室), and the general secretary of Wuhan Internet of Things Industry Association (武漢物聯網產業協會). Mr. Liu went to University of Duisburg-Essen in Germany for visiting study from 1994 to 1996, obtained a doctorate from Huazhong University of Science and Technology in 1999, and went to Nanyang Technological University in Singapore for visiting study from 1999 to 2000. Since 2000, he has been the director of Department of Optoelectronic Engineering (currently known as School of Optical and Electronic Information) of Huazhong University of Science and Technology. Mr. Liu has long been engaged in teaching and research work in the areas of optical fibre communication and sensing. During the past 30 years, Mr. Liu has undertaken more than 20 national key projects, including the National 973 Project (國家973專案), “863 Project” (863項目), the key projects and the key project topics of the National Science Foundation (國家自然科學基金), and the National Key Scientific Instrument and Equipment Development Project (國家重大科學儀器開發專項). He has obtained several major achievements, including winning the National Technological Invention Award (twice), the first prize (thrice) and the second prize (four times) of the provincial award, and the gold medal (once) and the silver medal (twice) of the Geneva International Invention Award. Mr. Liu owns 118 invention patents applications in the United States and China (among which, 50 have been granted) and has published 196 SCI papers and five textbooks and academic works.

### **Ms. Li Chang'ai (李長愛)**

Ms. Li Chang'ai (李長愛), age 50, has been teaching at the School of Accountancy of Hubei University of Economics (湖北經濟學院會計學院) since 1988 and is currently a professor (level II). She is also a director of the Accounting Society of China (中國會計學會), an executive director of Accounting Society of Hubei Province (湖北省會計學會), an executive director of Audit Society of Hubei Province (湖北省審計學會) and a special auditor of Audit Bureau of Wuhan (武漢市審計局). Ms. Li currently also serves as an independent director of Hubei Mailyard Share Co., Ltd. (湖北美爾雅股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600107), and an independent director of Ningbo Xianfeng New Material Co., Ltd. (寧波先鋒新材料股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300163). Ms. Li obtained her bachelor's degree in economics, master's degree in economics and doctorate in management from Zhongnan University of Economics and Law (中南財經政法大學). Ms. Li has published over 70 academic papers on a number of journals. Ms. Li was awarded “National Advanced Accounting Worker” in 2008. She is also a Chinese certified public accountant (non-practicing) and a senior member of the Accounting Society of China (中國會計學會) and obtained an independent director qualification certificate in 2008.

**APPENDIX I PARTICULARS OF SUPERVISORS PROPOSED FOR ELECTION**

Except as stated above, Mr. Liu Deming or Ms. Li Chang'ai have not held any directorship or supervisor position in any other listed companies at present nor in the past three years nor taken up any positions in the Company and any group members of the Company. Furthermore, Mr. Liu Deming and Ms. Li Chang'ai do not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company and neither of them holds any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

The Procedural Rules for the General Meeting are written in Chinese. The English version of the Procedural Rules for the General Meeting as contained in this Appendix II is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

### RULES OF PROCEDURES FOR THE GENERAL MEETING OF YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LIMITED COMPANY

#### CHAPTER 1 GENERAL PROVISIONS

- Article 1** In order to safeguard the legitimate rights and interests of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) and its shareholders, to specify the authorities and responsibilities of the general meeting, to ensure the proper, efficient and smooth operation of the general meeting and to ensure the legitimate exercise of powers and authorities by the general meeting, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “**Mandatory Provisions**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).
- Article 2** These Rules apply to the general meeting of the Company and shall be binding on the Company, all the shareholders, authorized proxies of the shareholders (hereinafter referred to as the “**Proxy**”), directors of the Company, supervisors of the Company, senior management personnel such as general managers, the deputy general manager, the chief financial officer, the secretary of the board of directors, and other relevant personnel present at the meeting.
- Article 3** Any shareholder who holds shares of the Company legally and validly is entitled to attend the general meetings in person or by proxy, and is entitled to rights such as information, speech, inquiry, and voting in accordance with laws and these Rules.
- Article 4** The board of directors of the Company shall convene the general meetings in strict compliance with requirements for convening general meetings as set out in the relevant laws and regulations and the Articles of Association. The board of directors shall not impede the proper exercise of powers and authorities by the general meeting.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 5** The Company shall make every effort, including fully utilizing modern information technology means, to increase the number of shareholders attending the general meetings, to the extent that the general meetings shall be convened legally and validly. The time and location of the general meetings shall be selected so as to allow the maximum number of shareholders to attend.

### CHAPTER 2 REGULATIONS OF THE GENERAL MEETING

**Article 6** Shareholders or Proxies attending the general meetings shall comply with the provisions of the relevant laws and regulations, the Articles of Association and the rules stipulated herein and shall take initiative to maintain the order of the meetings and shall not infringe the legitimate rights and interests of other shareholders.

**Article 7** There are two types of general meetings, namely annual general meetings (hereinafter referred to as the “AGM”) and extraordinary general meetings.

**Article 8** All the shareholders of the Company shall be entitled to attend the AGMs and extraordinary general meetings.

Holders of different classes of shares are class shareholders. Holders of domestic shares and holders of overseas listed foreign shares are deemed as different classes of shareholders, in addition to other class shareholders. Any variation or abrogation of the rights of any class shareholders as proposed by the Company may only be adopted after the approval by a special resolution at a general meeting and the approval by a meeting of class shareholders in accordance with the provisions of the Articles of Association.

**Article 9** The AGMs shall be convened by the board of directors and held once every year within six months after the end of the previous accounting year.

**Article 10** For the general meetings convened throughout the year, all of these meetings are extraordinary general meetings except the AGM. The extraordinary general meetings shall be arranged in the order of the year in which they are convened.

**Article 11** The board of directors shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:

- (1) the number of directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

- (2) the uncovered losses reach one-third of the Company's total share capital;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting.

The number of shares held by the shareholders specified in the above circumstance (3) shall be the number of shares held on the date when the shareholders submit the written request.

When any of the above circumstances (1) (2) and (3) occurs or the board of supervisors proposes to hold an extraordinary general meeting, if the board of directors fails to convene an extraordinary general meeting within the specified time limit, the board of supervisors or shareholders in compliance with these Rules may convene the extraordinary general meeting in accordance with relevant provisions of the Articles of Association and these Rules.

**Article 12** The Company shall convene the general meetings in strict compliance with laws, regulations, the Articles of Association and these Rules. The board of directors of the Company shall duly perform its duties and properly organize the general meetings in a conscientious and punctual manner. All the directors of the Company shall perform their diligence to ensure that general meetings are properly convened and the powers and authorities are exercised by the general meetings legally.

**Article 13** The secretary of the board of directors of the Company shall be responsible for implementing the preparatory and organization work for convening general meetings. The company secretary shall assist the Company in the aforementioned work.

### CHAPTER 3 POWERS AND AUTHORITIES OF THE GENERAL MEETING

**Article 14** The general meeting is the organ of authority of the Company and shall exercise the following powers and authorities in accordance with the law:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace directors (not being staff representatives) and to fix the remuneration of the relevant directors;

<b>APPENDIX II    PROCEDURAL RULES FOR THE GENERAL MEETING</b>
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- (3) to elect and replace supervisors (not being staff representatives), and to fix the remuneration of the relevant supervisors;
- (4) to consider and approve the reports of the board of directors;
- (5) to consider and approve the reports of the board of supervisors;
- (6) to consider and approve the annual financial budgets and final accounts of the Company;
- (7) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (8) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (9) to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;
- (10) to adopt resolutions on the issue of bonds or other securities and listing plans of the Company;
- (11) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to consider the interim proposals submitted by shareholders holding 3% or more of the total number of the shares of the Company carrying voting rights;
- (14) other matters required by laws, administrative regulations, and the Articles of Association to be resolved by the general meeting.

The general meeting may authorize or engage the board of directors to attend to matters authorized or engaged by the general meeting provided that the laws, regulations and mandatory provisions of the listing rules of the places of listing of the Company will not be contravened.

**Article 15** Unless a prior approval is obtained at a general meeting, the Company shall not enter into any contract with any party other than the directors, supervisors, general managers and other senior management personnel pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

**Article 16**    To ensure the stability of the Company's investment policies and to improve the efficiency of the daily operations of the Company, the general meeting authorize the board of directors to approve the relevant matters within the scope below:

(I)    Investment plans

1.    The general meeting has the authority to approve the medium and long-term investment plans and annual investment plans of the Company. The board of directors is authorized to make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.
2.    The board of directors has the authority to review and decide the annual investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval. The board of directors may make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.

(II)    External investments (including entrusted wealth management, securities transactions, entrusted loans, etc.), purchase or sale of assets, lease of assets (either as lessor or lessee), entrusted management of assets and businesses (either as entrustor or trustee), etc. (except for connected transactions)

1.    When reviewing such transaction, the Company shall consider the percentage ratios as set out in the Listing Rules, including the assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio (hereinafter referred to as the "**Five Percentage Ratios**").



2. The board of directors has the authority to approve a transaction if, in respect of such transaction: (a) any of the Five Percentage Ratios is 5% or more, but less than 25%; and (b) each of the following percentage ratios is less than 50%: (i) the total amount of the assets in relation to the transaction (the book value or the appraised value, whichever is the higher) divided by the latest audited total asset value of the Company; (ii) the amount of the acquired assets (taking into account of the assumed liabilities and costs) divided by the total amount of the latest audited net asset value of the Company; (iii) the profit resulting from the transaction divided by the audited net profit of the Company for the preceding financial year; (iv) the revenue from the major business operation attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited revenue of the Company from its major business operation for the preceding financial year; and (v) the net profit attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited net profit of the Company for the preceding financial year.; and (c) the aggregate amount in relation to the purchase or sales of material assets (including any connected transactions) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

(III) Disposal of fixed assets

Disposals of fixed assets will be decided by the board of directors where the aggregate value of the expected value of the fixed assets to be disposed of and the value of the fixed assets which have been disposed of in the four months prior to such proposed disposal does not exceed 33% of the value of the fixed assets as shown in the latest balance sheet adopted by the general meeting.

(IV) Borrowings

Any single loan transaction with an amount representing 25% or more of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the general meeting.

Any single loan transaction with an amount representing less than 25% of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the board of directors.

- (V) Provision of guarantee to external parties and provision of financial assistance

Provision by the Company of guarantees to external parties shall be reviewed by the board of directors and shall be approved by the affirmative vote of two-thirds or more of the directors present at the meeting; if such provision of guarantee is subject to approval by the general meeting in accordance with the applicable laws, regulations, the Articles of Association and the resolutions of the general meeting, the provision of the guarantee shall be submitted to the general meeting for approval.

When reviewing and approving any parent company performance guarantee to be provided by the Company to its subsidiaries (as defined under the Listing Rules) in relation to a project within the principal business scope, the board of directors may impose an annual cap such that performance guarantees within such annual cap is not subject to a separate review by the board of directors, provided that a written report shall be submitted to the board of directors in a timely manner and the terms of such guarantees shall be consistent with market practices. Nevertheless, performance guarantees exceeding the aforesaid annual cap, or terms of which are either inconsistent with market practices, or imposing additional onerous obligations or liabilities on the Company, shall be submitted to the board of directors for review, and, where approval by the general meeting is required, shall be submitted to the general meeting for approval accordingly.

If, the financial assistance provided by the Company or its subsidiaries to the affiliated companies of the Company (as defined under the Listing Rules), and guarantees given for facilities granted to affiliated companies of the Company by the Company or its subsidiaries, together in aggregate exceeds 8% under the assets ratio as defined under the Listing Rules, such financial assistance and/or guarantees shall be subject to approval by the board of directors.

(VI) Connected transactions

In relation to a connected transaction (as defined under the Listing Rules) conducted on normal commercial terms or better:

all the percentage ratios calculated pursuant to the Listing Rules are less than 0.1% or 1% (if such transaction is a connected transaction only because it involves connected person(s) at the subsidiary level), the transaction amount of such transaction represents less than 5% of the absolute value of the most recent audited net assets of the Company, and the aggregate amount in relation to the purchase or sales of material assets (including transactions in the ordinary course of business) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

**CHAPTER 4    PROPOSAL OF THE GENERAL MEETING**

**Article 17**    The contents of proposals shall be determined by the general meeting, and shall have clear subjects for discussion and specific matters to be resolved, and shall comply with laws, administrative regulations, the Articles of Association and these Rules.

If the Company convenes a general meeting, shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights are entitled to put forward an interim proposal in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within 14 days upon receiving the written proposal to announce the contents of the interim proposal.

Except as provided by the preceding paragraph, the convener shall neither modify the proposals nor add new proposals in the notice of the general meeting after the issue of the notice.

Proposals not listed on the notice of the general meeting or inconsistent with the first paragraph of this Article shall not be voted on or resolved in the general meeting.

**Article 18**    Proposals of the general meeting are generally put forward by the board of directors.

**Article 19**    If the board of supervisors proposes to convene a general meeting, the board of supervisors shall be responsible for putting forward proposals.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 20** If shareholders individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights propose to convene a general meeting, the proposing shareholders shall be responsible for putting forward proposals.

**Article 21** Proposals involving the following circumstances shall be deemed to lead to a change or an abrogation of the rights of a class shareholder and the board of directors shall submit such proposals to a class shareholders' meeting for review and approval:

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of other class(s) having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;
- (3) to remove or reduce rights to receive accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, preemptive rights to placement and acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;
- (9) to issue subscription rights or share conversion rights for shares of such class or other classes;
- (10) to increase the rights and privileges of shares of other classes;

- (11) to restructure the Company if the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;
- (12) to vary or abrogate the provisions of Chapter 9 “Special Resolutions for Voting by Class Shareholders” of the Articles of Association.

**CHAPTER 5    NOTICE OF MEETING AND ITS ALTERATIONS**

**Article 22**    The notice of a general meeting shall be issued by the conveners of the meeting. The AGMs shall be convened by the board of directors. Conveners of the extraordinary general meetings and class shareholders’ meetings shall include the board of directors, the board of supervisors and shareholders individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights for consecutive 90 days or more.

**Article 23**    A written notice shall be issued 45 days prior to the general meeting, informing all the registered shareholders of the matters to be considered at the meeting, and the date and venue of the meeting.

Unless otherwise required by the relevant laws, administrative regulations, the listing rules of the places of listing of the Company and the Articles of Association, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholder is entitled to vote at the meeting) by hand or by pre-paid mail to the addresses of the shareholders as shown in the register of members of the Company. For the holders of domestic shares, the notice of the meeting may also be given by way of public announcement.

The announcement referred to in the preceding paragraph shall be published within a period of 45 to 50 days prior to the date of the meeting in one or more newspapers designated by the securities regulatory authorities of the State Council. Once an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 24**    The notice of a class shareholders’ meeting shall be delivered only to the shareholders who are entitled to vote at such meeting.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

- Article 25** A notice of a general meeting shall meet the following requirements:
- (1) it shall be in written form;
  - (2) it shall specify the venue, date and time of the meeting;
  - (3) it shall set out the matters to be discussed at the meeting;
  - (4) it shall set out the record date for shareholders who are entitled to attend the general meeting;
  - (5) it shall provide the shareholders with such materials and explanation as are necessary to enable shareholders to make informed decisions in connection with the matters to be discussed. This principle shall include (but not be limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and implications of the same must be properly explained;
  - (6) if any director, supervisor, general manager and other senior management personnel have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such director, supervisor, general manager and other senior management personnel in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;
  - (7) it shall set out the full text of any special resolutions proposed for approval at the meeting;
  - (8) it shall contain a clear statement that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one or more Proxies to attend and vote at the meeting on his/her behalf and that such Proxies need not be shareholders;
  - (9) it shall specify the date and place for lodging proxy forms for the meeting; and
  - (10) it shall state the names and telephone numbers of the contact persons for the meeting.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 26** The board of supervisors shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' meeting. The board of directors shall, upon the receipt of such written requests, convene an extraordinary general meeting or a class shareholders' meeting as soon as practicable.

If the board of directors approves the convening of an extraordinary general meeting, it shall despatch a notice thereof within 10 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the board of supervisors.

If the board of directors disapproves the convening of an extraordinary general meeting or fails to despatch a notice within 30 days after its receipt of the request. The board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings. The board of supervisors may, at its own discretion, convene and preside over the extraordinary general meeting or class shareholders' meeting.

**Article 27** Shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights shall sign one or more written requests of the same form stating the object of the meeting and demanding that the board of directors convene an extraordinary general meeting or a class shareholders' meeting. The board of directors shall, upon the receipt of such written requests, convene an extraordinary general meeting or a class shareholders' meeting as soon as practicable.

If the board of directors approves the convening of an extraordinary general meeting, it shall despatch a notice thereof within 10 days after adopting the resolution. Any change to any original proposal in the notice shall be subject to the consent of the board of supervisors.

If the board of directors disapproves the convening of an extraordinary general meeting or fails to despatch a notice within 30 days after its receipt of the request. The board of directors shall be deemed to be unable to or fail to fulfill its duty of convening general meetings. Shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company carrying voting rights may make such request in writing to the board of supervisors.

The board of supervisors may convene such meeting by itself within four months upon receipt of such request by the board of directors; if the board of supervisors does not convene and chair such meeting, shareholder(s) individually or jointly holding 10% or more of the total number of the shares of the Company for consecutive 90 days or more may convene such meeting by themselves.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 28** If the board of supervisors or shareholders decide to convene the general meetings by themselves, they shall notify the board of directors in writing.

**Article 29** If the general meeting is convened by the board of supervisors or shareholders, the board of directors and its secretary shall cooperate with them. The board of directors shall provide the register of members as of the record date.

**Article 30** If the general meeting is convened by the board of supervisors or shareholders, reasonable costs of the meeting shall be borne by the Company.

**Article 31** Shareholders who intend to attend the meeting shall deliver to the Company their written replies concerning their attendance 20 days prior to the date of the meeting.

The Company shall, based on the written replies it received 20 days before the date of the general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. If the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches a half or more of the Company's total number of the shares carrying voting rights, the Company may hold the general meeting. If not, the Company shall, within five days, notify the shareholders again by public announcement of the matters to be reviewed, and the venue and the date of the meeting. The Company may then hold the general meeting after publication of such notice.

Matters not listed in the notice shall not be resolved at the AGMs and extraordinary general meetings.

**Article 32** After the convener of a meeting have issued the notice of a general meeting, such meeting shall not be postponed or cancelled without any proper reason nor shall any proposal listed in the notice be removed. In case of postponing or cancellation, the convener of the meeting shall publish a notice at least two working days before the original date of the general meeting and state the relevant reasons therein.



**CHAPTER 6    REGISTRATION OF THE MEETING**

**Article 33**    Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (such person(s) does not have to be a shareholder) as his/her proxy(ies) to attend and vote at the meeting on his/her behalf. Such Proxy(ies) shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1)    the shareholders' right to speak at the meeting;
- (2)    the right to demand or join in demanding a poll; and
- (3)    the right to vote by a show of hands or by poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. If more than one Proxy is appointed, the Proxies may only exercise the voting right by way of poll.

The instrument appointing a Proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal person, such instrument shall be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). Such instrument shall set out the number of shares to be represented by the Proxy. If more than one person are appointed as Proxies, such instrument shall set out the number of shares to be represented by each Proxy.

**Article 34**    The Company shall be responsible for preparing the attendance sheet to be signed by the shareholders or Proxies who attend the meeting.

**Article 35**    Unless otherwise determined by the Company, prior to the announcement by the chairman of the meeting of the number of shareholders and Proxies attending the meeting and the number of shares carrying voting rights as represented by such shareholders and Proxies, the meeting registration shall be concluded.

**Article 36**    Proxy forms shall be lodged with the domicile of the Company or other places specified in the notice of meeting 24 hours before the holding of the meeting at which the relevant matters to be voted on according to the proxy form, or 24 hours before the designated time of voting. If the shareholder authorized others to sign on the proxy form, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

If the appointer is a legal person, its legal representative or such person as authorized by a resolution of its board of directors or other governing body may attend any general meeting of the Company as a representative of the appointer.

If the shareholder is a recognized clearing house (or its nominee), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class shareholders' meeting as it sees fit, but, if one or more persons have such authority, the power of attorney shall specify the number and class of the shares in connection with such authorization. The power of attorney shall be signed by the authorized representative of the recognized clearing house. With such power of attorney, such person can attend the meeting and exercise the right on behalf of the recognized clearing house or its nominee as if he is the individual shareholder of the Company, without being required to provide share certificates, notarized power of attorney and/or any further evidence of his due authorization.

Any form issued to a shareholder by the board of directors for use by such shareholder for the appointment of a Proxy shall be in a form that enables the shareholder to freely instruct the Proxy to vote for or against the proposals, with such instructions being individually given in respect of each matter to be resolved at the meeting. Such form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.

A vote given in accordance with the proxy forms shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.

**Article 37** A shareholder shall register when attending a general meeting and provide the following documents for registration:

An individual shareholder attending a general meeting in person shall present his proof of identity and share certificate. The Company has the right to request the proxy(ies) attending the general meeting on behalf of a shareholder to present his proof of identity and the proxy form.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

Save for shareholders who are recognized clearing houses (or their nominees), if a shareholder as a legal person appoints its legal representative to attend a meeting, the Company has the right to request such legal representative to present his proof of identity and a duly notarized copy of the resolutions passed by the board of directors or other organ of authority of such shareholder or power of attorney evidencing such authority in respect of the appointment of the proxy.

**Article 38** If a shareholder or a Proxy requests to speak at the general meeting, he/she shall register with the Company prior to the meeting. The number of speakers shall be limited to 10. If there are more than 10 speakers, the first 10 shareholders who have the largest shareholdings shall have the right to speak.

**Article 39** The board of directors of the Company shall take necessary measures to ensure the seriousness and the normal order of the general meeting. The Company is entitled to reject the attendance by any other persons except shareholders (or Proxies), directors, supervisors, the secretary of the board of directors, appointed legal advisors, the general manager, deputy general manager, financial directors and other visitors invited by the board of directors, so as to safeguard the seriousness and the normal order of the general meeting. The board of directors shall take measures to stop and report to the relevant departments for investigation and prosecution in a timely manner any acts which disturb the general meeting, cause troubles, or infringe shareholders' legitimate rights and interests.

### CHAPTER 7 CONVENING OF GENERAL MEETINGS

**Article 40** The chairman of the board of directors shall convene and chair every general meeting. If the chairman of the board of directors is unable to attend the meeting for any reason, the vice-chairman of the board of directors shall convene and chair the meeting. If both the chairman and the vice-chairman of the board of directors are unable to attend the meeting, the board of directors may designate a director to convene and chair the meeting. If no chairman of the meeting has been so designated, shareholders present may choose one person to act as the chairman of the meeting. If for whatever reason the shareholders fail to elect a chairman, the shareholder (including his/her Proxy) present and holding the largest number of the shares carrying voting rights shall be the chairman of the meeting.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

If a general meeting is convened by the board of supervisors, the chairman of the board of supervisors shall chair the meeting. If the chairman of the board of supervisors is unable or fails to perform his/her duties, the vice-chairman of the board of supervisors (if any) shall chair the meeting. If the vice-chairman of the board of supervisors is unable or fails to perform his/her duties, the meeting shall be chaired by the supervisor recommended by a half or more of all the supervisors.

If a general meeting is convened by the shareholders, the meeting shall be chaired by the representative recommended by the convener.

**Article 41** After the chairman of the meeting has declared the official commencement of the meeting, he shall firstly announce that the number of shareholders attending the meeting and the number of shares represented by such shareholders are in compliance with the legal requirements. Subsequently he shall read out the agenda as set out in the notice of the meeting, and shall inquire whether any person present at the meeting has any objection to the voting order of the proposals.

**Article 42** After the chairman of the meeting has made inquiries regarding the agenda, he shall read out the proposals or authorize another person to read out the proposals, and shall explain the proposals according to the following requirements if necessary:

- (I) If the proposal is put forward by the board of directors, the proposal shall be explained by the chairman of the board of directors or other persons authorized by the chairman of the board of directors;
- (II) If the proposal is put forward by the board of supervisors or shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights, the proposal shall be explained by the person putting forward the proposal or its legal representative or any lawful and valid Proxy.

**Article 43** Proposals included in the agenda of the general meeting shall be reviewed before voting. Reasonable time shall be given at the general meeting for discussing each proposal. The chairman of the meeting shall orally inquire the shareholders present whether they have completed their reviews of the proposals. Review shall be deemed to have completed if there are no objections from shareholders attending the meeting.

**Article 44** Shareholders may make enquiries to the Company at the general meeting. The directors, supervisors or senior management personnel shall provide explanations in respect of any queries and proposals raised by the shareholders.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 45** The chairman of the meeting shall, prior to voting, announce the total number of the shareholders and the Proxies attending the meeting and the total number of the shares carrying voting rights held by them based the meeting registration.

### CHAPTER 8 VOTING AND RESOLUTIONS OF THE GENERAL MEETING

**Article 46** The general meeting shall resolve on specific proposals.

**Article 47** Proposals shall not be modified when being reviewed by the general meeting. Otherwise, any modification shall be deemed to be a new proposal and shall not be put to vote at such general meeting.

The general meeting shall resolve on all the proposals listed in the agenda one by one, and, unless the general meeting is adjourned or fails to make any resolution due to any special reasons such as force majeure, shall not delay in voting on, or fail to vote on, such proposals. If different proposals are put forward at the general meeting for the same matter, such proposals shall be resolved in an order according to the time they are being put forward.

**Article 48** When reviewing the proposals on the election of directors and supervisors at a general meeting, shareholders shall vote on each director candidate or supervisor candidate one by one.

**Article 49** Resolutions of a general meeting shall be ordinary resolutions or special resolutions.

(I) Ordinary resolutions

1. Ordinary resolutions shall be passed by votes representing more than one-half of the voting rights held by the shareholders (including Proxies) present at the meeting.
2. The following matters shall be resolved by ordinary resolutions at the general meetings:
  - (1) work reports of the board of directors and board of supervisors;
  - (2) profit distribution plans and loss indemnification plans formulated by the board of directors;
  - (3) election and removal of members of the board of directors and shareholder representative supervisors and their remuneration and payment methods;

- (4) annual preliminary and final budgets, balance sheets, profit and loss accounts and other financial statements of the Company;
- (5) matters other than those which are required to be passed by special resolutions by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association.

(II) Special resolutions

1. Special resolutions shall be passed by votes representing two-thirds or more of the voting rights held by the shareholders (including Proxies) present at the meeting.
2. The following matters shall be resolved by special resolutions at the general meetings:
  - (1) increase or reduction in the share capital, repurchase of the Company's shares and issue of shares of any class, warrants or other similar securities;
  - (2) issue of bonds of the Company;
  - (3) division, merger, dissolution, liquidation or change of corporate form of the Company;
  - (4) amendment to the Articles of Association; and
  - (5) any other matters approved at a general meeting, by way of ordinary resolutions, and considered by the general meeting to have material impacts on the Company and to require approval by special resolutions.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 50** Shareholders of the affected class, regardless of whether having the right to vote or not at the general meetings, shall have the right to vote at class shareholders' meetings on matters concerning sub-paragraphs (2) to (8) and (11) to (12) of Article 22 of these Rules. However, interested shareholder(s) shall not be entitled to vote at class shareholders' meetings.

“(An) interested shareholder(s)” in the preceding paragraph means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company on a pro-rata basis or by way of on-market purchase through the stock exchange pursuant to Article 30 of the Articles of Association, an “interested shareholder” refers to a controlling shareholder within the meaning of Article 58 of the Articles of Association;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 30 of the Articles of Association, an “interested shareholder” refers to a shareholder to whom the proposed agreement relates;
- (3) in the case of a restructuring of the Company, an “interested shareholder” refers to a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring which is different from the general interests of the shareholders of that class.

**Article 51** Resolutions of a class shareholders' meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class represented at the relevant meeting who, according to the preceding Article herein, are entitled to vote at the meeting.

**Article 52** The special procedures for approval by class shareholders shall not apply in the following circumstances: (I) the Company issues, upon the approval by special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued domestic shares and overseas listed foreign shares; and (II) the Company's plan on the issue of domestic shares and overseas listed foreign shares at the time of its establishment, which is completed within 15 months upon approval by the securities regulatory authorities of the State Council.

**Article 53** If a connected transaction is being reviewed at a general meeting, the connected shareholders shall abstain from voting if required by the listing rules of the stock exchange where the shares of the Company are listed, and the voting rights represented by the shares held by them shall not be counted towards the total number of valid votes.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

If any shareholder is required to abstain from voting or may only vote for or against a matter pursuant to the applicable laws and regulations and the listing rules of the stock exchange where the shares of the Company are listed, any vote by such shareholder or his proxy in violation of such rules or restrictions shall not be counted in the voting results.

**Article 54** The shareholders present at the general meetings shall express their opinions on the resolutions put to vote by one of the following: for, against or abstain.

Shareholders (Proxies) shall complete their ballot papers carefully as the requirements and put the ballot papers into the ballot box. Any ballot paper containing uncompleted parts, false information, illegible writing and any uncast paper shall be regarded as “abstained” by the shareholder, and such ballot papers shall not be counted in the calculation of the required majority.

**Article 55** Before voting on a proposal, the shareholders present at a general meeting shall nominate at least one supervisor and two shareholders as representatives to participate in counting and supervising the voting. If a matter to be reviewed relates to a shareholder, such shareholder or its proxy shall not participate in vote counting and supervision of voting.

When the general meeting votes on a proposal, the supervisor and the shareholder representatives shall jointly be responsible for vote counting and voting supervision. The voting results shall be announced on the spot and shall be recorded in the meeting minutes.

If the votes whether by hand or by poll for and against a resolution are equal, the chairman of the meeting shall be entitled to cast one more vote.

The chairman of the meeting is responsible for deciding whether a resolution at the general meeting is passed. His/her decision is final and shall be announced at the meeting and recorded in the meeting minutes.

The resolutions of the general meeting shall be published by the Company according to the applicable laws and the listing rules of the stock exchange where the shares of the Company are listed.



**Article 56**     The minutes of the general meetings shall be prepared and signed by the chairman of the meeting, the directors and supervisors who are present at the meeting, the secretary of the board of directors and the conveners or their representatives. The secretary of the board of directors shall be responsible for the meeting minutes and shall record the following contents:

- (1)    number of the shares carrying voting rights held by the shareholders who are present at general meeting and percentage of such shares in the total share of the Company;
- (2)    time and venue of the meeting;
- (3)    name of the chairman and agenda of the meeting ;
- (4)    key points of the speech by each speaker on the matters to be reviewed;
- (5)    voting results on each matter to be reviewed;
- (6)    inquiry opinions or recommendations of the shareholder and the relevant replies or explanations by the directors and supervisors;
- (7)    the counting result if vote counting is conducted at the general meeting;
- (8)    other matters which, in the opinion of the general meeting or as required by the Articles of Association, shall be recorded in the meeting minutes.

**CHAPTER 9    ADJOURNING**

**Article 57**     The board of directors of the Company shall ensure that a general meeting is being held smoothly without being interrupted within reasonable working hours until final resolutions are adopted. The chairman of the meeting is entitled to adjourn the meeting according to the arrangement and progress of the meeting. The chairman of the meeting is also entitled to adjourn the meeting as he/she considers necessary.

**Article 58**     If, during the meeting, disputes arise among the shareholders present on the identity of any shareholder and the counting results which cannot be resolved on site, and for this reason the order of the meeting is affected and the meeting cannot be continued, the chairman of the meeting shall declare an adjournment of the meeting. After the aforementioned situation disappears, the chairman of the meeting shall notify the shareholders to resume the meeting as soon as practicable.

## APPENDIX II PROCEDURAL RULES FOR THE GENERAL MEETING

**Article 59** If, due to force majeure or any other extraordinary reasons, a general meeting is adjourned for one working day or more and it is prevented from being properly convened or making any resolution, the board of directors of the Company shall report to the stock exchange and issue an announcement and shall take all necessary measures to resume the general meeting as soon as possible.

### CHAPTER 10 POST-MEETING EVENTS AND ANNOUNCEMENTS

**Article 60** The secretary of the board of directors shall be responsible for submitting the meeting minutes, the resolutions passed at the meeting and other relevant materials to the relevant regulatory authorities in accordance with laws, regulations and the requirements of the securities regulatory authorities of the State Council and the stock exchange where the shares of the Company are listed, and for arranging the announcement to be published in the designated media.

**Article 61** The resolutions of the general meeting shall be announced promptly. The contents of the resolutions shall comply with the relevant regulatory requirements.

**Article 62** If any proposal is not adopted at a general meeting, or if a general meeting changes a resolution passed at the previous general meeting, a specify reminder thereof shall be made in the announcement of resolutions of such general meeting.

**Article 63** The secretary of the board of directors shall be responsible for keeping materials such as the attendance sheet, power of attorney, voting statistics, meeting minutes and announcement of resolutions.

### CHAPTER 11 SUPPLEMENTAL PROVISIONS

**Article 64** These Rules shall come into force upon the adoption by the general meeting by a special resolution.

**Article 65** Any amendment to these Rules shall be proposed by the board of directors and shall be submitted to the general meeting for approval by a special resolution.

**Article 66** The board of directors shall be responsible for interpreting these Rules.

<b>APPENDIX II    PROCEDURAL RULES FOR THE GENERAL MEETING</b>
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**Article 67**     If there are any matters not dealt with in these Rules or there are any matters in these Rules which are inconsistent with any laws, administrative rules, other relevant regulatory documents and the regulatory provisions of the place where the shares of the Company are listed as promulgated from time to time, such laws, administrative rules, other relevant regulatory documents and regulatory provisions of the place where the shares of the Company are listed shall prevail.

**Article 68**     The references “or more” and “not more than” shall include the given number; the references “more than one-half” and “more than” shall exclude the given number.

## APPENDIX III PROCEDURAL RULES FOR THE BOARD MEETING

The Procedural Rules for the Board Meeting are written in Chinese. The English version of the Procedural Rules for the Board Meeting as contained in this Appendix III is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

### RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS OF YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LIMITED COMPANY

#### CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to ensure that the board of directors (hereinafter referred to as the “**Board**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Company**”) fulfils the duties and powers conferred by all the shareholders of the Company, conducts discussions efficiently and makes scientific, expeditious and prudent decisions, and to regulate the work procedures of the Board, these Rules are hereby formulated according to the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “**Mandatory Provisions**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant laws and regulations governing domestic and overseas listed companies and the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “**Articles of Association**”).

#### CHAPTER 2 POWERS AND AUTHORITIES OF BOARD

**Article 2** The Board shall be accountable to the general meeting and shall exercise the following powers:

- (1) to be responsible for convening general meetings and report its work to the general meeting;
- (2) to implement the resolutions of the general meeting;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and loss recovery plans of the Company;

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- (6) to formulate the proposal for increase or reduction of the registered capital of the Company and issue of bonds or other securities of the Company and listing thereof;
- (7) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and conversion of corporate form of the Company;
- (8) to decide on the internal management structure of the Company and to decide on the establishment or revocation of branch companies or branch offices of the Company;
- (9) to elect the chairman of the Board and the vice-chairman of the Board, and to nominate, appoint or dismiss the general manager of the Company;
- (10) to appoint or dismiss the secretary of the Board and to appoint or dismiss the chairman of each Board committee;
- (11) according to the nomination of the general manager, to appoint or dismiss the deputy general manager, the chief financial officer, the chief technology officer, the chief sales officer and the chief marketing and strategy officer of the Company, and to decide on their remunerations, incentives and punishments;
- (12) to formulate the basic management regulations of the Company;
- (13) to formulate proposals for any amendment to the Articles of Association;
- (14) to propose to the general meeting to engage or replace the accounting firm which undertakes auditing work of the Company;
- (15) to exercise any other powers stipulated by laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed, or conferred by the general meeting and the Articles of Association.

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**Article 3** The directors may request the general manager, or, through the general manager, relevant departments of the Company, to provide materials and explanations required for them to make decisions. The general manager shall provide the directors with necessary information and materials to facilitate the decision-making of the Board.

The independent directors may, if they think necessary, appoint (an) independent institution(s) to issue an independent opinion to be relied upon by them in making decisions. Costs incurred in the engagement of such (an) independent institution(s) shall be borne by the Company.

**Article 4** Any matter to be submitted by the Board to the general meeting for approval as required by the laws, administrative rules, regulations of the competent government department(s) or the Articles of Association shall first be considered and resolved on by the Board.

The Board shall review the interim proposals put forward by shareholders individually or jointly holding 3% or more of the total number of the shares of the Company carrying voting rights for deliberation at general meetings and decide whether such proposals shall be submitted to the general meeting for consideration.

**Article 5** In order to ensure the efficiency of the operation of the Company, the Board may, pursuant to the Articles of Association and the authorizations granted by the general meeting, consider and approve relevant matters within the scope prescribed below.

(I) Investment plans

1. The Board shall be responsible for reviewing and deciding on the medium and long-term investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval.
2. The Board shall be responsible for reviewing and deciding on the annual investment plans of the Company as proposed by the general manager and shall submit the same to the general meeting for approval. The Board may make adjustments to the capital expenditure approved by the general meeting for the current year to the extent that such adjustments shall not be greater than 20%.

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(II) External investments (including entrusted wealth management, securities transactions, entrusted loans, etc.), purchase or sale of assets, lease of assets (either as lessor or lessee), entrusted management of assets and businesses (either as entrustor or trustee), etc. (except for connected transactions)

1. When reviewing such transaction, the Company shall consider the percentage ratios as set out in the Listing Rules, including the assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio (hereinafter referred to as the “**Five Percentage Ratios**”).

2. The Board has the authority to approve a transaction if, in respect of such transaction: (a) any of the Five Percentage Ratios is 5% or more, but less than 25%; and (b) each of the following percentage ratios is less than 50%: (i) the total amount of the assets in relation to the transaction (the book value or the appraised value, whichever is the higher) divided by the latest audited total asset value of the Company; (ii) the amount of the acquired assets (taking into account of the assumed liabilities and costs) divided by the total amount of the latest audited net asset value of the Company; (iii) the profit resulting from the transaction divided by the audited net profit of the Company for the preceding financial year; (iv) the revenue from the major business operation attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited revenue of the Company from its major business operation for the preceding financial year; and (v) the net profit attributable to the subject of the transaction (such as shares) for the preceding financial year divided by the audited net profit of the Company for the preceding financial year.; and (c) the aggregate amount in relation to the purchase or sales of material assets (including any connected transactions) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

(III) Disposal of fixed assets

Disposals of fixed assets will be decided by the Board where the aggregate value of the expected value of the fixed assets to be disposed of and the value of the fixed assets which have been disposed of in the four months prior to such proposed disposal does not exceed 33% of the value of the fixed assets as shown in the latest balance sheet adopted by the general meeting.

(IV) Borrowings

Any single loan transaction with an amount representing less than 25% of the net assets of the Company as shown in its latest published audited consolidated accounts or latest published interim report (whichever is more recent) prepared in each case in accordance with the International Financial Reporting Standards is subject to approval by the Board.

Notwithstanding the foregoing:

If any loan agreement entered into by the Company or any of its subsidiaries (as defined under the Listing Rules) includes a condition which imposes on any controlling shareholder specific performance obligations (such as a requirement to maintain a specified minimum holding in the share capital of the Company) and a breach of such an obligation will cause a default in respect of loans that are significant to the operation of the Company and its subsidiaries, such loan agreement shall be subject to approval by the Board.

If a controlling shareholder of the Company pledges its interests in the shares of the Company either to secure the indebtedness of the Company or as a security for the Company to obtain guarantees or other support for the liabilities of the Company, the relevant loan shall be subject to approval by the Board.

(V) Provision of guarantee to external parties and provision of financial assistance

Provision by the Company of guarantees to external parties shall be reviewed by the Board and shall be approved by the affirmative vote of two-thirds or more of the directors present at the meeting; if such provision of guarantee is subject to approval by the general meeting in accordance with the applicable laws, regulations, the Articles of Association and the resolutions of the general meeting, the provision of the guarantee shall be submitted to general meeting for approval.



When reviewing and approving any parent company performance guarantee to be provided by the Company to its subsidiaries (as defined under the Listing Rules) in relation to a project within the principal business scope, the Board may impose an annual cap such that performance guarantees within such annual cap is not subject to a separate review by the Board, provided that a written report shall be submitted to the Board in a timely manner and the terms of such guarantees shall be consistent with market practices. Nevertheless, performance guarantees exceeding the aforesaid annual cap, or terms of which are either inconsistent with market practices, or imposing additional onerous obligations or liabilities on the Company, shall be submitted to the Board for review, and, where approval by the general meeting is required, shall be submitted to the general meeting for approval accordingly.

If, the financial assistance provided by the Company or its subsidiaries to the affiliated companies of the Company (as defined under the Listing Rules), and guarantees given for facilities granted to affiliated companies of the Company by the Company or its subsidiaries, together in aggregate exceeds 8% under the assets ratio as defined under the Listing Rules, such financial assistance and/or guarantees shall be subject to approval by the Board.

(VI) Connected transactions

In relation to a connected transaction (as defined under the Listing Rules) conducted on normal commercial terms or better:

all the percentage ratios calculated pursuant to the Listing Rules are less than 0.1% or 1% (if such transaction is a connected transaction only because it involves connected person(s) at the subsidiary level), the transaction amount of such transaction represents less than 5% of the absolute value of the most recent audited net assets of the Company, and the aggregate amount in relation to the purchase or sales of material assets (including transactions in the ordinary course of business) within a 12-month period inclusive of such transaction, represents less than 30% of the total assets of the Company.

**Article 6** The Board shall set the scope of authorities in respect of external investments, purchase and sales of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management, securities trading and connected transactions and establish strict review and decision-making procedures. The Board shall, in the case of a material investment project, arrange for experts and professionals to appraise such project and submit it to the general meeting for approval.

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**Article 7** As authorized by the Board, during the period when the Board is not in session, the chairman of the Board may exercise part of the functions and powers of the Board (including, requesting the senior management personnel to implement the matters approved by the Board; making reasonable and appropriate adjustments and amendments to the matters approved by the Board in light of the actual circumstances of the market and the Company within the scope then agreed by the Board; and executing agreements and instruments in relation to the aforesaid adjustments and amendments), the scope of which shall be further determined by the Board.

### CHAPTER 3 BOARD COMPOSITION AND BOARD ORGANS

**Article 8** The Board shall be composed in accordance with the Articles of Association and shall include an appropriate portion of independent directors and external directors.

The appointment, removal and term of office of the directors shall be in compliance with the Articles of Association. A director shall not be removed by the general meeting without any reason prior to the expiry of his/her term of office. The term of office of a director shall commence on the date his/her appointment is approved by a resolution of the general meeting and end upon expiry of the term of the relevant session of the Board.

If the term of office of all the members of a session of the Board has expired and if the new session of the Board is yet to be composed, the members of such existing session of Board shall continue to perform their duties until the new session of the Board is composed.

**Article 9** The Board shall have one chairman and one vice-chairman.

Pursuant to the Articles of Association and the relevant resolutions and/or authorizations of the general meeting, the Board shall establish an audit committee, a nomination and remuneration committee and a strategy committee. These special committees shall, pursuant to the arrangement of the Board and as proposed by the chairman of the Board and the general manager, convene meetings from time to time to conduct research on specific issues and provide opinions and recommendations on these matters to the Board for its reference in connection with its decision-making.

**CHAPTER 4 SECRETARY OF THE BOARD**

**Article 10** The Board office shall be responsible for the daily work of the Board.

**Article 11** The Company shall have one secretary of the Board. The secretary of the Board shall be a senior management personnel of the Company, a natural person with requisite professional knowledge and experience, and appointed by the Board. His/her primary duties include:

- (1) to be responsible for the communication and coordination between the Company and related parties, and the stock exchange and other securities regulatory authorities, and to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;
- (2) to be responsible for affairs in connection with information disclosure of the Company, procuring the Company to formulate and implement the information disclosure system and material information internal reporting system, procuring the Company and the related parties to fulfill the information disclosure obligation in accordance with laws and submitting regular reports and temporary reports to the stock exchange in accordance with the relevant regulations;
- (3) to coordinate the relationship between the Company and its investors, handling visits of the investors, answering questions raised by the investors, and providing the investors with information disclosed by the Company;
- (4) to prepare for general meetings and the Board meetings pursuant to legal procedures and to prepare and submit relevant documents and materials of the meetings;
- (5) to attend the Board meetings and prepare and sign on the minutes of the meetings;
- (6) to be responsible for confidentiality in relation to the information disclosure of the Company, to formulate confidentiality measures to procure the directors, supervisors, general manager and other senior management personnel, and the relevant insiders to keep confidential all information before disclosure thereof, to make remedial measures in a timely manner in the event of divulgence of inside information and report to the stock exchange;

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- (7) to be responsible for keeping the register of members, the register of directors, information on the shares of the Company held by major shareholders, directors, supervisors, general manager and other senior management personnel, and documents and minutes of the general meetings and Board meetings, to ensure that the Company has a complete set of constitutional documents and records, and to ensure that the persons who are entitled to have access to relevant records and documents of the Company are able to obtain such records and documents in a timely manner;
- (8) to assist the directors, supervisors, general manager and other senior management personnel to understand the relevant requirements of information disclosure under the laws, regulations, rules, listing rules and other rules of the stock exchange and the Articles of Association, and their liabilities under the listing agreements;
- (9) to procure the Board to exercise its powers in compliance with the law; to remind the directors present at the meeting where the resolutions to be made by the Board violate the relevant laws, regulations, rules, listing rules or other rules of the stock exchange and the Articles of Association, and request the supervisors present at meeting to express their opinions; The secretary of the Board shall record the individual opinions of relevant supervisors and persons in the meeting minutes if the Board insists on making the above-mentioned resolutions, and report to the stock exchange;
- (10) to fulfill other duties as required by the applicable laws, regulations, rules, the listing rules and other rules of the stock exchange and the Articles of Association.

**Article 12** The Company shall formulate regulations in relation to the work of the secretary the Board to procure his/her satisfactory implementation of information disclosure, investors relations and other work. Such regulations shall be submitted to the Board and become effective upon approval by the Board.

**CHAPTER 5 REGULATIONS OF THE BOARD MEETINGS**

**Article 13** There are two types of the Board meetings, namely regular meetings and interim meetings.

The Board meetings shall, in principle, be convened on-site. If necessary, upon consent of its convener (chairman) and its initiator, a Board meeting may be convened by video conference, telephone conference, or voting via facsimiles or emails, provided that the directors shall be able to fully express their opinions. The Board meetings may also be convened on-site and off-site simultaneously.

Where a Board meeting is convened off-site, the number of directors present at a meeting shall be calculated based on the number of the directors present by video, the number of the directors expressing their opinions during conference calls, the number of valid votes casted by means of fax, email or otherwise received within the prescribed period, or the number of post-meeting written confirmations submitted by the directors confirming their attendance.

In a meeting convened by video conference, should any director not be able to sign on the resolutions of such meeting immediately, such director shall vote orally and complete the signature in writing as soon as possible. The oral vote by the director shall have equal effect as his/her written signature.

If the matters to be considered at a Board meeting are of a procedural or case-specific nature, such meeting may be convened by way of written proposals, namely, resolutions will be made by circulation and consideration of written proposals. Unless otherwise specified on the resolutions by a director, the signing on the resolutions by such director shall be deemed as he/she has voted for such resolutions.

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### Article 14 Regular Meetings:

The Board shall convene at least one regular meeting in both the first half and the second half of each year. Such meetings include without limitation:

(I) Annual Board meetings

The annual Board meetings shall be convened within three months after the end of the accounting year of the Company. The directors shall mainly review and consider the annual report of the Company and deal with other relevant matters at such meetings. The time of convening the annual Board meetings shall ensure that the annual reports of the Company will be despatched to the shareholders within the time limit prescribed by applicable regulations and the Articles of Association, and shall ensure that the preliminary annual financial results will be announced within the time limit prescribed by applicable regulations, and shall also ensure that the annual general meeting will be convened within six months from the end of the accounting year of the Company.

(II) Semi-annual Board meetings

The semi-annual Board meetings shall be convened within two months from the end of the first six months of the accounting year of the Company. The directors shall mainly review and consider the interim reports of the Company and deal with other relevant matters at such meetings.

### Article 15 Interim meetings

In the event of any of the following circumstances, the chairman of the Board shall issue a notice convening an interim meeting within 10 days:

- (1) where jointly proposed by two or more directors;
- (2) where proposed by the general manager; or
- (3) such other circumstances as provided by the Articles of Association or the Company Law.

**CHAPTER 6 PROCEEDING OF THE BOARD MEETINGS**

**Article 16** Collecting Proposals

Prior to the issue of a notice convening a regular meeting, the secretary of the Board shall be responsible for collecting draft proposals in respect of the matters to be considered at such meeting. Each proposer who puts forward the relevant proposal(s) shall submit the proposals and relevant explanatory materials to the secretary of the Board no later than 10 days before the convening of such meeting. Proposals concerning material connected transactions (as determined in accordance with the standards promulgated by competent regulatory authorities from time to time) which are required to be reviewed by the Board or the general meeting in compliance with law shall first be approved by the independent directors. The secretary of the Board shall sort out relevant materials and submit a preliminary draft of the meeting proposals which set out the time, venue and agenda of the meeting to the chairman of the Board for finalization.

Before finalizing such proposals, the chairman of the Board shall solicit, as he/she deems necessary, comments from the general manager and other senior management personnel. If an interim meeting is proposed to be convened, a written proposal signed and chopped by the proposer shall be submitted to the chairman of the Board, either directly or through the working organ of the Board, which shall set out the following items:

- (1) name of the proposer;
- (2) reason or objective basis for the proposal;
- (3) time or duration, venue and form for convening the proposed meeting;
- (4) clear and specific proposals;
- (5) contact information of the proposer and date of proposal, etc.

The content of the proposals shall fall within the scope of powers and functions of the Board as stipulated under the Articles of Association and any materials in relation to a proposal shall be submitted together with such proposal.

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The working organ of the Board shall forward the aforesaid written proposals and relevant materials to the chairman of the Board on the same day it receives the same. Where the chairman of the Board is of the view that the content of the proposals is not clear or specific, or the relevant materials are not sufficient, he/she may request the proposer to make revisions or supplements.

The chairman of the Board shall convene the Board meeting within 15 days after the receipt of the proposal and shall preside over such meeting.

### **Article 17** Putting forward Proposals

The proposals of the Board meetings shall be put forward in relation to the following:

- (1) matters proposed by the directors;
- (2) matters proposed by the board of supervisors;
- (3) proposals from the special committees of the Board;
- (4) matters proposed by the general manager.

### **Article 18** Convening the Meetings

The Board meetings shall be convened by the chairman of the Board. If the chairman of the Board is not able to convene a meeting, such meeting shall be convened by the vice-chairman of the Board or another designated director. If neither the chairman of the Board nor the vice-chairman of the Board is able to convene the meeting, nor any specific person has been designated to convene the meeting, such meeting shall be convened by a director jointly elected by more than a half of the directors.

### **Article 19** Notice of the Meetings

The notice of a Board meeting shall be despatched in accordance with the following requirements and methods:

- (1) where the time and venue of a regular meeting have been determined and notified by the Board by giving at least 14 days' notice in advance, unless such time and venue of such regular meeting are changed for cause, no further notice will be required to be served in relation to the convening of such meeting. The agenda and relevant documents of such regular meeting shall be provided to all the directors and supervisors and other personnel in attendance at least three days before the date of the meeting;



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- (2) where the time and venue of a Board meeting are not determined by the Board in advance, the administrative department of the Board shall notify all the directors, supervisors and other personnel in attendance of the time, venue and agenda of such meeting, either by hand, facsimile, email or other means, at least ten days before the date of the meeting. If a notice is not despatched by hand, a telephone call shall be made for confirmation and a record shall be kept accordingly;
- (3) the notice of a Board meeting shall be written in both Chinese and English and shall set out the meeting agenda. Any director may waive the right to receive the notice of a Board meeting.

In case of emergency, where an interim meeting is required to be convened as soon as possible, the notice of such meeting may be despatched by phone or other oral methods at any time, provided that the convener of the meeting shall provide explanations at the meeting.

A written notice of a meeting shall include at least the following information:

- (1) the time and venue of the meeting;
- (2) the means of convening the meeting;
- (3) matters to be reviewed and considered (i.e. meeting proposals);
- (4) the convener and chairman of the meeting, the proposer of the interim meeting and his/her written proposals;
- (5) meeting materials necessary for voting by the directors;
- (6) requests as to whether a director shall attend the meeting in person or may authorize another director to attend on his/her behalf;
- (7) contact person and his/her contact information.

An oral notice of a meeting shall include at least the information set out in paragraphs (1) and (2) above and the explanations for the reasons why an interim meeting shall be convened as a matter of emergency.

A director shall, upon receipt of the notice of a meeting, confirm to the Board office in writing in a timely manner but no later than two days before the meeting.

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If a director has attended a meeting without raising any objections either before the meeting or at the meeting relating to his/her failure of receiving the notice of such meeting, he or she shall be deemed to have received the notice of such meeting.

### **Article 20** Communications before the Meetings

After the issue of the notice of a meeting and before the convening of such meeting, the secretary of the Board shall, in light of the circumstances, communicate and liaise with relevant directors to seek their comments or recommendations on relevant proposals and shall forward the same in a timely manner to the proposers of such proposals for improvement. The secretary of the Board also shall provide supplemental materials as required by the directors.

### **Article 21** Changes to the Notice of the Meetings

After the written notice of a regular meeting has been despatched, if there are any changes to the time and venue of such meeting, any additional proposals, any amendment to or removal of any proposals, a supplementary notice in writing shall be despatched three days before the date of the originally scheduled meeting, which shall contain an explanatory statement of the circumstances, the content of the new proposals and relevant materials, as applicable. If such supplementary notice fails to be despatched three days before the date of the originally scheduled meeting, either such meeting shall be postponed accordingly, or, upon unanimous consent of all directors present at the meeting, be convened as originally scheduled.

After the written notice of an interim meeting has been despatched, if there are any changes to the time and venue of such meeting, any additional proposals, any amendment to or removal of any proposals, unanimous consent shall be obtained from all the directors present at the meeting in advance and records shall be made accordingly.

### **Article 22** Attendance of the Meetings

Except where connected transactions shall be reviewed by the Board during a meeting, a Board meeting shall not be held unless more than a half of the directors (inclusive of directors who authorize another director to attend the Board meetings on their behalf pursuant to Article 111 of the Articles of Association) are present.

If (a) director(s) refuse(s) or fail(s) to attend a meeting, the quorum of such meeting, as a result, is not met, the chairman and the secretary of the Board shall report to the regulatory authorities in a timely manner.

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The supervisors are entitled to attend the Board meetings. The general manager and the secretary of the Board who is not a director shall attend the Board meetings. To the extent he/she deems it necessary, the chairman of the meeting may notify other relevant persons to attend the Board meetings.

The directors shall attend a Board meeting in person in principle. Where a director is unable to attend a meeting for any reason, he/she may by a written power of attorney appoint another director to attend the meeting as his/her proxy (where an independent director is unable to attend in person, he/she shall appoint another independent director to attend the meeting as his/her proxy). The power of attorney shall set out:

- (1) the name of such director and his/her attorney;
- (2) brief opinions of such director on each of the proposals;
- (3) the scope of authorization and the instruction by such director on his/her voting intention on the proposals;
- (4) the execution by such director and the execution date; etc.

Where a director authorizes another director to sign on periodic reports on his/her behalf, a specific authorization shall be set out in the power of attorney.

The director being authorized shall submit the power of attorney to the chairman of the meeting and shall specify his/her presence as a proxy of another director in the attendance sheet of the meeting.

### **Article 23** Restrictions on Attendance by Proxy

The appointment of a proxy to attend a Board meeting and the attendance by such proxy of such Board meeting shall comply with the following principles:

- (1) where connected transactions are reviewed at a meeting, a director who is not a related party shall not authorize a director who is a related party to attend such meeting and vote at such meeting on his/her behalf; nor shall any director who is a related party accept such authorization by any director who is not a related party;
- (2) an independent director shall not authorize a non-independent director to attend a meeting and vote at such meeting on his/her behalf; nor shall any non-independent director accept such authorization by any independent director;

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- (3) a director shall not authorize another director with full powers to attend a meeting and vote at such meeting on his/her behalf without having specified his/her personal opinions and voting intentions on the proposals, nor shall any director accept authorizations with full powers or without specific scope by another director;
- (4) a director shall not accept the authorizations from more than two directors to attend a meeting and vote at such meeting on their behalf; nor shall any director authorize a director who has accepted authorizations by another two directors to attend a meeting and vote at such meeting on his/her behalf.

If a director fails to attend the Board meetings in person or by proxy twice consecutively, the Board may propose to the general meeting to replace such director.

**Article 24** Board meetings shall be chaired by the chairman of the Board. If the chairman of the Board is unable to chair a meeting, such meeting shall be chaired by the vice-chairman of the Board. If neither the chairman of the Board nor the vice-chairman of the Board is able to chair a meeting, such meeting shall be chaired by a director jointly elected by more than a half of the directors.

After a new session of the Board has been elected at the general meeting, the director obtaining the largest number of affirmative votes at the general meeting (in case there are more than one such director, one director to be elected out of them) shall chair the meeting for electing the chairman of such new session of the Board.

**Article 25** Consideration of Proposals

The chairman of the meeting shall declare the meeting open at the scheduled time.

Upon the directors present at the meeting reaching a consensus on the meeting agenda, the meeting presided by the chairman shall consider the proposals one by one, and the proposers or their proxies shall report work or explain the proposals to the Board.

With respect to the proposal that shall be approved by independent directors in advance according to the regulations, the chairman shall read out the written confirmation of independent directors before discussion of relevant proposals.

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Any director who obstructs the normal proceeding of a meeting or interferes with the speech by another director shall be restrained from doing so by the chairman without delay.

Except as approved unanimously by all directors present, the Board meeting shall not vote on any proposal that is not included in the meeting notice. A director entrusted by other director to attend the meeting shall not vote on the proposal beyond the meeting notice on his/her behalf.

During review of proposals and listening to relevant reports, to understand the key points and process in detail, the Board may require persons in charge of relevant departments to attend the meeting as non-voting attendees to listen to and inquire about relevant matters, for the purpose of making correct resolutions. Directors may learn information necessary for decision-making from relevant persons and institutions such as the liaison department of special committees, the meeting convener, the general manager and other senior management personnel, the special committees, accounting firms and law firms. They may also suggest the chairman at the meeting to invite above persons and institution representatives to attend the meeting and make explanations.

If unclear statement or problematic feasibility is found in review, the Board may require relevant departments to give an explanation, and may defer voting if necessary.

Directors shall read meeting documents earnestly, and express independent and prudent opinions based on full understanding of relevant circumstances.

**Article 26** The independent directors shall present independent opinions to the Board on the following matters:

- (1) nomination, appointment and removal of directors;
- (2) appointment and removal of senior management personnel;
- (3) remuneration of the directors and senior management personnel of the Company;
- (4) the matters that independent directors consider may damage the interests of small and medium shareholders;
- (5) material cash transactions (as may be defined under the listing rules of the stock exchange where the shares of the Company are listed) between the Company and its shareholders or its affiliated companies;

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- (6) the decision by the Board of not preparing a cash profit distribution plan;
- (7) other matters specified by applicable laws, regulations or the Articles of Association.

**Article 27** With respect to the foregoing matters the independent directors shall explicitly state their opinions as follows:

- (1) approval;
- (2) qualified opinion and reasons;
- (3) disapproval and reasons;
- (4) inability to give opinions and reasons.

**Article 28** Voting of Proposals

After a proposal is fully discussed, the chairman of the meeting shall request in due time the directors in attendance to vote on it.

Directors have three options for voting on a proposal, in favor, against, or abstention. Directors present shall select one of the above-mentioned options. If a director selects no or two or above options, the chairman of the meeting shall request the director to reselect. Any director refusing to reselect shall be deemed abstention. Any director who leaves the venue in the course of the meeting and does not return for voting shall be deemed abstention. Any director who neither attends a Board meeting in person nor appoints a proxy to attend the meeting on his/her behalf shall be deemed to have waived his/her voting right at such meeting.

Other than the matters set out in paragraphs (6), (7) and (13) of Article 2 hereof, which shall require the affirmative vote of two-thirds or more of the directors, all proposals considered by the Board may be adopted by the majority vote of the directors.

Voting at the Board meetings may take the form of either a show of hands or ballot. Each director shall be entitled to one vote. In the case of a tie, the chairman shall have the casting vote.

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### Article 29 Abstention

In the event of any of the following circumstances, a director shall abstain from voting on the relevant proposal(s):

- (1) where a director shall abstain from voting as required by the listing rules of the stock exchange where the shares of the Company are listed;
- (2) where a director shall, in his/her own opinion, abstain from voting;
- (3) where a director shall abstain from voting as a result of his/her being connected to the company(ies) under a proposal pursuant to the Articles of Association.

If any director shall abstain from voting at a Board meeting, such meeting shall be duly convened so long as more than a half of the non-connected directors are present. Resolutions at such meeting shall be adopted by the affirmative vote of more than a half of all non-connected directors. Resolutions concerning matters which shall be approved by more than two-thirds of the directors, shall be adopted by the affirmative vote of more than two-thirds of all non-connected directors. If the number of non-connected directors present at such meeting is less than three, relevant proposals shall not be voted on at such meeting and shall be submitted to the general meeting for consideration.

If a director or his/her associate (as defined in the Listing Rules) has a material interest in a contract, transaction, arrangement or other matters that require the approval by the Board, such director shall not vote on such matter at such Board meeting, nor shall such director be counted towards the quorum of the meeting. If a resolution fails to be adopted as a result of abstention by the relevant directors, the relevant proposal shall be submitted to the general meeting for consideration.

**Article 30** Directors shall take responsibilities for resolutions adopted by the Board. In case a resolution of the Board violates laws, administrative regulations or the Articles of Associations and caused heavy losses to the Company, the directors who have voted on the resolutions shall be liable for the compensation thereof; provided, however, that the director proved to vote against and kept a record in the minutes may be immune from the liability.

### Article 31 Meeting Resolutions

Resolutions shall generally be adopted on all matters discussed and considered at Board meetings. The opinions expressed by the directors shall be set out in the resolutions of the Board.

## APPENDIX III PROCEDURAL RULES FOR THE BOARD MEETING

### Article 32 Meeting Minutes

The Board shall keep detailed minutes of the matters discussed at Board meetings. Such Board meeting minutes shall include the following information:

- (1) date and venue of the meeting and the names of its convener and chairman;
- (2) names of the directors attending in person and names of the directors attending through proxy and the names of such proxies;
- (3) meeting agenda;
- (4) key points of the speeches of the directors (where a meeting is held by way of circulation and consideration of written proposals, the written opinions from the directors);
- (5) voting method and results of each matter being considered and discussed (the voting results shall specify the number of votes in favor, against, abstention on each proposal).

The secretary of the Board shall diligently prepare meeting minutes. The minutes of each Board meeting shall be provided to all directors present at the meeting for review as soon as possible. Directors wishing to modify or supplement the minutes shall, within one week of receipt thereof, report in writing their revision comments to the chairman of the Board and the secretary of the Board. After the minutes are finalized, all directors in attendance, the secretary of the Board and the keeper of the minutes shall sign on the meeting minutes and the secretary of the Board shall send a complete copy of such minutes to each director as soon as possible. Board meeting resolutions and minutes shall be properly maintained as important records of the Company at the domicile of the Company for 10 years.



**CHAPTER 7 INFORMATION DISCLOSURE RELATING TO THE BOARD MEETINGS**

**Article 33** The Board shall strictly comply with the requirements of the stock exchange where the shares of the Company are listed in relation to the disclosure of information. It shall disclose the matters considered or resolutions made during the Board meeting which are required to be disclosed fully, timely and accurately. Information relating to significant matters shall be reported to the stock exchange as soon as possible and shall be filed with relevant regulatory authorities for record. The secretary of the Board and the department in charge of the Board affairs shall be responsible for implementing the foregoing.

The directors present at the meeting and other persons who are in attendance, taking notes or providing services at the meeting shall be obliged to keep the contents of the resolutions confidential until the resolutions are disclosed by a public announcement.

**Article 34** Where a matter which requires independent opinions of the independent directors is discloseable, the Company shall disclose such opinions in an announcement. If the independent directors have different opinions and cannot reach any consensus, the Board shall disclose the respective opinions of each independent director.

**CHAPTER 8 IMPLEMENTATION AND FEEDBACKS OF BOARD RESOLUTIONS**

**Article 35** The following matters shall not be implemented until they have been reviewed and approved by the Board and the general meeting:

- (1) to decide on the business plans and investment plans of the Company;
- (2) to formulate the annual financial budgets and final accounts of the Company;
- (3) to formulate the profit distribution plans and loss recovery plans of the Company;
- (4) to formulate the proposal for increase or reduction of the registered capital of the Company (including the repurchase of the shares of the Company) and issue of bonds or other securities of the Company and listing thereof;
- (5) to formulate plans for substantial acquisition, merger, division, dissolution, liquidation and conversion of corporate form of the Company;

## APPENDIX III PROCEDURAL RULES FOR THE BOARD MEETING

- (6) to formulate proposals for any amendment to the Articles of Association;
- (7) to propose to the general meeting to engage or replace the accounting firm which undertakes auditing work of the Company.

**Article 36** The chairman of the Board shall be entitled to inspect and supervise, or authorize the vice-chairman of the Board or a Director to inspect and supervise, the implementation of meeting resolutions.

**Article 37** At each Board meeting, the general manager shall present a written report to such meeting in relation to the status of implementation of the matters which must be implemented pursuant to the resolutions of the previous Board meeting.

**Article 38** The secretary of the Board shall, under the direction of the Board and the chairman of the Board, take initiative to obtain the information relating to the progress of the implementation of the Board resolutions and shall, in a timely matter, report to and provide recommendations to the Board and the chairman of the Board in relation to the material issues arising thereof.

### CHAPTER 9 SUPPLEMENTAL PROVISIONS

**Article 39** Upon the approval by the affirmative votes of more than two-thirds of the all directors of the Company, the formulation of and any amendment to these Rules shall be submitted to the general meeting for approval by a special resolution.

**Article 40** The Board shall be responsible for interpreting these Rules.

**Article 41** If there are any matters not dealt with in these Rules or there are any matters in these Rules which are inconsistent with any laws, administrative rules, other relevant regulatory documents and the regulatory provisions of the place where the shares of the Company are listed as promulgated from time to time, such laws, administrative rules, other relevant regulatory documents and regulatory provisions of the place where the shares of the Company are listed shall prevail.

# NOTICE OF ANNUAL GENERAL MEETING



## 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 ANNUAL GENERAL MEETING FOR THE YEAR 2014

NOTICE IS HEREBY GIVEN that the annual general meeting (the "AGM" or "Meeting") for the year 2014 of Yangtze Optical Fibre and Cable Joint Stock Limited Company (the "Company") will be held on Tuesday, June 9, 2015 at 10:00 a.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC for the purposes of considering and if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. To consider and approve the work report of the board of directors of the Company for the year ended December 31, 2014.
2. To consider and approve the work report of the board of supervisors of the Company for the year ended December 31, 2014.
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2014.
4. To consider and approve the profit distribution plan of the Company for the year ended December 31, 2014.
5. To re-appoint KPMG and KPMG Huazhen (Special General Partnership) as the international auditors and domestic auditors of the Company respectively for the year of 2015.
6. To consider and elect Mr. Liu Deming as an independent supervisor of the Company and to consider and approve Mr. Liu Deming's remuneration of RMB150,000 per annum.
7. To consider and elect Ms. Li Chang'ai as an independent supervisor of the Company and to consider and approve Ms. Li Chang'ai's remuneration of RMB150,000 per annum.

# NOTICE OF ANNUAL GENERAL MEETING

## SPECIAL RESOLUTIONS

8. To consider and adopt the Rules of Procedures for the General Meeting of Yangtze Optical Fibre and Cable Joint Stock Limited Company.
9. To consider and adopt the Rules of Procedures for the Board of Directors of Yangtze Optical Fibre and Cable Joint Stock Limited Company.

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  
**Wen Huiguo**  
*Chairman*

Wuhan, PRC, April 24, 2015

*Notes:*

**(1) 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 Sunday, May 10, 2015 to Tuesday, June 9, 2015 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at the close of business on Friday, May 8, 2015 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, at or before 4:30 p.m. on Friday, May 8, 2015.

**(2) Recommendation of dividend and closure of register of members**

The board of directors of the Company has recommended a dividend of RMB0.166 per share (before tax) for the year ended December 31, 2014 and, if such dividend is declared by the shareholders passing Resolution 4, it is expected to be paid no later than Friday, July 31, 2015 to those shareholders whose names appear on the register of members of the Company after close of trading on Thursday, June 18, 2015. The register of members of H Shares will be closed from Saturday, June 13, 2015 to Thursday, June 18, 2015 (both days inclusive). In order to be entitled to the 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, at or before 4:30 p.m. on Friday, June 12, 2015.

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 1 January 2008, where a PRC domestic enterprise distributes dividends for financial periods beginning from 1 January 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.

\* For identification purposes only

## NOTICE OF ANNUAL GENERAL MEETING

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 Nonresidents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124)) (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.

The Company will identify the country of domicile of the individual holders of H Shares according to their registered address on the H Share register of members of the Company on Thursday, June 18, 2015 (the “**Registered Address**”). If the domicile of an individual holders of H Shares is not the same as the Registered Address or if the individual holders of H Shares would like to apply for a refund of the additional amount of tax finally withheld and paid, the individual holders of H Shares shall notify and provide relevant supporting documents to the Company on or before Friday, June 12, 2015. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual holders of H Shares may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H shares and for any claims arising from or in connection with any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements.

Shareholders are recommended to consult their tax advisors regarding the PRC, Hong Kong and other tax implications arising from or in connection with their holding and disposal of the H Shares.

### (3) **Proxy**

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend 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 corporate body, 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 notarized. 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 for holder of H Shares and to the Company's Board of Directors' Office for holders of domestic shares of the Company (the “**Domestic Shares**”) by hand or by post not less than 24 hours before the time fixed for holding the AGM 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. The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073).

## NOTICE OF ANNUAL GENERAL MEETING

(4) **Reply Slip**

Shareholders 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, for holder of H Shares or the Company's Board of Directors' Office for holder of Domestic Shares on or before Wednesday, May 20, 2015. 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). The Company's Board of Directors' Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073) (Tel: (86 27) 6878 9088, Fax: (86 27) 6878 9089).

(5) **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).

(6) **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.

(7) **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 10:00 a.m.. Registration for admission to the AGM will take place from 9:00 a.m. to 10:00 a.m..