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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Smart Link Better Life.**

**Yangtze Optical Fibre and Cable Joint Stock Limited Company\***

**長飛光纖光纜股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6869)**

### PROPOSED PROVISION OF GUARANTEE

### AND

### NOTICE OF EXTRAORDINARY GENERAL MEETING

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A letter from the Board is set out from pages 3 to 6 of this circular.

A notice convening the EGM 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, August 4, 2020 at 1:30 p.m. is set out on page 7 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned by holder of H Shares to the Company's H share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by hand or by post not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

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

\* *For identification purpose only*

July 18, 2020

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## DEFINITIONS

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

“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi and listed on the Shanghai Stock Exchange (stock code: 601869)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“Company”	Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the A shares and H shares of which are listed on SSE and the Main Board of the Stock Exchange, respectively
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary 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, August 4, 2020 at 1:30 p.m., or any adjournment thereof
“H Share(s)”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars (stock code: 6869)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	July 16, 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

\* For identification purposes only

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## DEFINITIONS

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“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Shares
“Shares”	A Shares and/or H Shares
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“YOFC Peru”	YOFC PERÚ S.A.C., a company incorporated in Peru and is owned as to 75% by the Company and 25% by an independent third party
“%”	percent

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## LETTER FROM THE BOARD

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### **Yangtze Optical Fibre and Cable Joint Stock Limited Company\***

### **長飛光纖光纜股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6869)**

*Executive Director:*

Mr. Zhuang Dan

*Non-executive Directors:*

Mr. Ma Jie (*Chairman*)

Mr. Philippe Claude Vanhille

Mr. Guo Tao

Mr. Pier Francesco Facchini

Mr. Frank Franciscus Dorjee

Mr. Xiong Xiangfeng

Ms. Lai Zhimin

*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

*Independent Non-executive Directors:*

Mr. Bingsheng Teng

Mr. Liu Deming

Mr. Song Wei

Dr. Wong Tin Yau, Kelvin

July 18, 2020

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSED PROVISION OF GUARANTEE AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **I. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed provision of guarantee for YOFC Peru, a subsidiary of the Company, and to give the notice of EGM.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### II. PROPOSED PROVISION OF GUARANTEE

At the sixth meeting of the third session of the Board and the sixth meeting of the third session of the board of supervisors of the Company held on July 17, 2020, the “Proposal on the Provision of Guarantee in connection with the Issuance of Bank Guarantees for a Subsidiary” was considered and approved.

The Board proposed that the Company to provide banking facility and joint and several liability guarantee to YOFC Peru, with respect to contract performance guarantees and prepayment guarantees which were respectively issued for four sections (Ancash, Arequipa, La Libertad and San Martin) under the Phase III communal engineering project regarding the broadband access coverage in Peru, in the amount not exceeding USD36.53 million, USD27.95 million, USD38.57 million and USD20.54 million, respectively. The effective term of the guarantee shall not exceed five years from the first day of signing the agreement with the relevant financial institutions upon obtaining the Shareholders’ approval at the EGM. During the term of the guarantee, the management of the Company shall be authorized to execute the relevant agreement in accordance to the progress of project development and the actual issuance status of the contract performance guarantees and prepayment guarantees.

#### (A) Information of the guaranteed party

Name of the guaranteed party:	YOFC PERÚ S.A.C.
Address of Registration:	Av. Enrique Canaval Moreyra N° 480, Oficina 1501, Lima 27
Registered Capital:	Peruvian Soles 108,693,728
Date of Registration:	January 31, 2019
Scope of Business:	Provision of public telecommunications services, particularly the provision of internet access and intranet services to public institutions, private entities and individuals; the planning, design, construction, financing, operation, maintenance and/or repair of telecommunications networks and/or telecommunications systems as well as the provision of other goods required for general telecommunications services (especially the goods required for the provision of internet access and intranet services to public institutions, private entities and individuals); including all acts in connection with the aforementioned which contribute the achievement of the company’s objective and compliance with laws

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## LETTER FROM THE BOARD

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**Shareholding Structure:** As of the Latest Practicable Date, YOFC Peru was held as to 75% by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, a wholly owned subsidiary of the Company and 25% by YACHAY TELECOMUNICACIONES S.A.C., an independent third party. The Company is entitled to 100% effective control in YOFC Peru indirectly through Yangtze Optical Fibre and Cable Company (Hong Kong) Limited and an agreement to act in concert entered into between Yangtze Optical Fibre and Cable Company (Hong Kong) Limited and YACHAY TELECOMUNICACIONES S.A.C.

**Key financial information:** As of December 31, 2019, YOFC Peru had total assets of approximately RMB636.90 million, total liabilities of approximately RMB583.16 million (with no bank loans), total current liabilities of approximately RMB9.45 million, and net assets of approximately RMB53.74 million. The 2019 annual revenue of YOFC Peru was RMB0 million and the profit for the year was approximately RMB-4.38 million.

As of June 30, 2020, YOFC Peru had total assets of approximately RMB675.75 million, total liabilities of approximately RMB621.27 million (with no bank loans), total current liabilities of approximately RMB39.42 million, and net assets of approximately RMB54.48 million. The revenue of YOFC Peru for the six months ended June 30, 2020 was RMB0 million and the profit for the period was approximately RMB0.42 million (the above data has not been audited and was converted to RMB).

### **(B) Principal terms of the guarantee agreement**

<b>Name of the guarantor:</b>	Yangtze Optical Fibre and Cable Joint Stock Limited Company (長飛光纖光纜股份有限公司)
<b>Name of the guaranteed party:</b>	YOFC PERÚ S.A.C.
<b>Name of the beneficiary:</b>	PROGRAMA NACIONAL DE TELECOMUNICACIONES – PRONATEL, the customer for the Phase III communal engineering project and an independent third party
<b>Mode of guarantee:</b>	Joint and several liability guarantee
<b>Type of guarantee:</b>	The provision of guarantee for YOFC Peru by way of issuing bank guarantees

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## LETTER FROM THE BOARD

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Amount guaranteed:	Provision of guarantee in respect of the four sections (Ancash, Arequipa, La Libertad and San Martin) in the amount not exceeding USD36.53 million, USD27.95 million, USD38.57 million and USD20.54 million, respectively
Term of guarantee:	A period of not exceeding five years from the first day of signing the agreement with the relevant financial institution upon obtaining the approval at a general meeting of the Company

An ordinary resolution approving the proposed provision of guarantee will be proposed at the EGM for the Shareholders' consideration and approval.

### III. EGM

A notice convening the EGM 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, August 4, 2020 at 1:30 p.m. is set out on page 7 of this circular.

In order to attend and vote at the meeting, H Shareholders of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Tricor Investor Services Limited (the "**H Share Registrar**") at or before 4:30 p.m. on Wednesday, July 29, 2020. The address of the transfer office of the H Share Registrar is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

A proxy form for use at the EGM is enclosed with this circular. If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. To be valid, the proxy form together with the power of attorney or other authorization document (if any) should be returned by holder of H Shares to the Company's H share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by hand or by post not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof.

### IV. RECOMMENDATION

The Directors consider that the proposed provision of guarantee will be beneficial for the development of YOFC Peru and is in the interest of the Company and the Shareholders as a whole and accordingly, the Directors recommend the Shareholders to vote in favor of the resolution to be proposed at the EGM.

Yours faithfully  
For and on behalf of the Board  
**Yangtze Optical Fibre and Cable Joint Stock Limited Company\***  
長飛光纖光纜股份有限公司  
**Ma Jie**  
Chairman

\* For identification purposes only



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM” or the “**Meeting**”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company\* (the “**Company**”) will be held on Tuesday, August 4, 2020 at 1:30 p.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purpose of considering and if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTION

1. To consider and approve the proposal in relation to the proposed provision of guarantee in connection with the issuance of bank guarantee for a subsidiary of the 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**

**Ma Jie**

*Chairman*

Wuhan, PRC, July 18, 2020

\* For identification purpose only

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

**(1) Circular**

Details of the above proposal and resolution to be considered at the EGM are set out in the circular of the Company dated July 18, 2020 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

**(2) Eligibility for attending the EGM**

Holders of H Shares who wish to attend the EGM 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. on Wednesday, July 29, 2020.

**(3) Proxy**

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a 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 notarised. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company by the holder of H Shares by hand or by post not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 1:30 p.m. on Monday, August 3, 2020) 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 EGM 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

**(4) 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).

**(5) 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.

**(6) Other issues**

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

The EGM starts at 1:30 p.m. Registration for admission to the EGM will take place from 1:00 p.m. to 1:30 p.m.

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

*As at the date of this notice, the Board comprises Zhuang Dan as executive director; Ma Jie, Philippe Claude Vanhille, Guo Tao, Pier Francesco Facchini, Frank Franciscus Dorjee, Xiong Xiangfeng and Lai Zhimin, as non-executive directors; Bingsheng Teng, Liu Deming, Song Wei and Wong Tin Yau, Kelvin, as independent non-executive directors.*