
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Yangtze Optical Fibre and Cable Joint Stock Limited Company*, you should at once hand this circular together with the accompanying proxy form 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)

- (1) REPORT OF THE BOARD FOR THE YEAR 2021**
- (2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2021**
- (3) 2021 ANNUAL REPORT**
- (4) FINAL FINANCIAL REPORT FOR THE YEAR 2021**
- (5) PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021**
- (6) PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY FOR THE YEAR 2022**
- (7) PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**
- (8) PROPOSAL ON THE 2022 ANNUAL EXTERNAL GUARANTEE AMOUNT**
- (9) BILL POOL BUSINESS OF THE COMPANY**
- (10) PROPOSED MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS AND RELEVANT AUTHORIZATION**
- AND**
- (11) NOTICE OF ANNUAL GENERAL MEETING**

Letter from the Board is set out on pages 3 to 13 in this circular.

A notice convening the AGM to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, June 28, 2022 at 2:00 p.m. is set out on pages 23 to 26 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned by holder of H Shares to the Company's H Share registrar, 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 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.

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

* For identification purpose only

May 27, 2022

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, June 28, 2022 at 2:00 p.m., or any adjournment thereof
“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the SSE (stock code: 601869)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Company”	Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on SSE and the Main Board of the Stock Exchange, respectively
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars (stock code: 6869)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

* For identification purpose only

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“SSE”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“Supervisors”	the supervisors of the Company

LETTER FROM THE BOARD



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)

Executive Directors:

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

May 27, 2022

To the Shareholders

Dear Sir or Madam,

- (1) REPORT OF THE BOARD FOR THE YEAR 2021
- (2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2021
- (3) 2021 ANNUAL REPORT
- (4) FINAL FINANCIAL REPORT FOR THE YEAR 2021
- (5) PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021
- (6) PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY FOR THE YEAR 2022
- (7) PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
- (8) PROPOSAL ON THE 2022 ANNUAL EXTERNAL GUARANTEE AMOUNT
- (9) BILL POOL BUSINESS OF THE COMPANY
- (10) PROPOSED MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS AND RELEVANT AUTHORIZATION AND
- (11) NOTICE OF ANNUAL GENERAL MEETING

* For identification purpose only

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and information in respect of the resolutions to be proposed at the AGM including (i) the report of the Board for the year 2021; (ii) the report of the Board of Supervisors for the year 2021; (iii) the 2021 annual report of the Company; (iv) the final financial report for the year 2021; (v) the proposed profit distribution plan for the year 2021; (vi) the re-appointment of KPMG Huazhen LLP as the independent auditors of the Company for the year 2022; (vii) the purchase of liability insurance for the Directors, Supervisors and senior management; (viii) the 2022 annual external guarantee amount; (ix) the bill pool business of the Company; (x) the proposed mandate for issue of debt financing instruments and relevant authorization; and (xi) the notice of AGM.

2. REPORT OF THE BOARD FOR THE YEAR 2021

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for the year 2021, the text of which has been set out in the 2021 annual report of the Company published on April 28, 2022.

3. REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2021

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board of Supervisors for the year 2021, the text of which has been set out in the 2021 annual report of the Company published on April 28, 2022.

4. 2021 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to consider and approve the 2021 annual report of the Company. The audited financial statements were prepared in accordance with China Accounting Standards for Business Enterprises and the full text of the independent auditors' report for the year 2021 has been set out in the 2021 annual report of the Company published on April 28, 2022.

5. FINAL FINANCIAL REPORT FOR THE YEAR 2021

According to the consolidated financial statements of the Company audited by KPMG Huazhen LLP, the key highlights of the final financial report for 2021 of the Company are as follows:

- (i) In 2021, the revenue of the Company was RMB9,536.1 million, the profit for the year attributable to equity shareholders of the Company was RMB708.5 million, and the earnings per share was RMB0.94.
- (ii) As at December 31, 2021, the total assets of the Company was RMB19,478.7 million, the total liabilities were RMB8,893.6 million, the total equity attributable to equity shareholders of the Company was RMB9,782.0 million, and the total liabilities were 45.7% of the total assets of the Company.

LETTER FROM THE BOARD

- (iii) For the year ended December 31, 2021, the net cash generated from operating activities was RMB526.7 million, the net cash used in investing activities was RMB1,389.5 million, and the net cash generated from financing activities was RMB2,288.9 million.

6. PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2021

Based on the total share capital of 757,905,108 Shares issued and listed as of December 31, 2021, the Board proposed to distribute a dividend of RMB2.81 per 10 Shares (inclusive of tax), with the total dividends amounting to approximately RMB212,971,335 (inclusive of tax). The expected payment date is on or before August 31, 2022. The proposed dividend is subject to approval by Shareholders at the AGM to be held on June 28, 2022 by the Company. Should the proposal be approved, the dividend for holders of A Shares, including holders of A Shares through the Northbound Trading Link of the Shanghai-Hong Kong Stock Connect (hereinafter referred to as the “**Northbound Shareholders**”) and holders of H Shares through the Southbound Trading Link (including Shanghai and Shenzhen markets, hereinafter referred to as the “**Southbound Shareholders**”) will be declared and paid in RMB. Dividends to holders of H Shares, except the Southbound Shareholders, are paid in Hong Kong dollars. The exchange rate will be calculated as per the average exchange rate for converting RMB into Hong Kong dollars published by the People’s Bank of China during the five business days prior to the AGM.

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

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

In accordance with the requirements of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from

LETTER FROM THE BOARD

foreign-invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of individual shareholders when the Company distributes the dividends for the year ended 31 December 2021 to overseas individual shareholders whose names appear on the register of members of H shares of the Company.

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

For Southbound Shareholders, in accordance with the Notice of Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), effective from November 17, 2014, and the Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), effective from December 5, 2016, with regard to the dividends obtained by individual mainland investors from investment in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their individual income tax at the rate of 20% in accordance with the register of individual mainland investors provided by CSDC. As to the withholding tax having been paid abroad, an individual investor may file an application for tax credit with the competent tax authority of CSDC with an effective credit document. With respect to the dividends obtained by mainland securities investment funds from investment in the H Shares of the Company listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their income tax with reference to the provisions concerning the collection of tax on individual investors. The Company will not withhold income tax on dividends obtained by mainland enterprise investors, and mainland enterprise investors shall file their income tax returns and pay tax themselves instead.

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

7. PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY FOR THE YEAR 2022

An ordinary resolution will be proposed at the AGM to consider and approve the proposed re-appointment of KPMG Huazhen LLP as the independent auditors of the Company for the year 2022, which will hold office until the conclusion of the next annual general meeting of the Company.

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

Since November 2014, the Company has purchased relevant liability insurance for Directors, Supervisors and senior management of the Company. The term of the current insurance will expire on June 30, 2022. The Board has resolved to propose that the Company shall continue to purchase liability insurance for Directors, Supervisors and senior management of the Company. The main terms for the liability insurance are as follows:

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

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

* For identification purpose only

LETTER FROM THE BOARD

9. PROPOSAL ON THE 2022 ANNUAL EXTERNAL GUARANTEE AMOUNT

To satisfy the daily operational needs of each subsidiary of the Group, the Company proposed that during year 2022, the Company would provide its subsidiaries and those subsidiaries would provide among each other guarantees not exceeding the amount of USD190 million, RMB109 million, ZAR60 million and MXN5 million (Mexican Peso), equivalent to approximately RMB1.336 billion. In addition, it is proposed that the Board or such person as authorized by the Board, be authorized to handle the specific matters in relation to the external guarantee, including adjusting specific guarantee amount and signing relevant legal documents in accordance with actual business needs within the limit of the 2022 annual external guarantee amount contemplated under this proposal.

Details of the 2022 annual external guarantee amount are set out in Appendix I to this circular.

This proposal has been approved by the Board, and shall be submitted to the AGM for consideration and approval by way of an ordinary resolution pursuant to Article 65 the Articles of Association.

10. BILL POOL BUSINESS OF THE COMPANY

In order to manage the Company's bills receivable and payable, reduce the Company's capital occupation, optimize the financial structure and improve the capital utilization rate, the Company proposes to carry out the bill pool business.

Details of the bill pool business of the Company are set out in Appendix II of this circular.

11. PROPOSED MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS AND RELEVANT AUTHORIZATION

On March 27, 2020 and June 16, 2020, the Board and the shareholders' general meeting of the Company approved the Resolution on the Issue of Debt Financing Instruments by the Company, authorising the Company to issue debt financing instruments not exceeding an amount of RMB3 billion and a term not exceeding 10 years. On August 27, 2020, the Company issued the 2020 Corporate Bonds for Professional Investors (Phase 1) of Yangtze Optical Fiber and Cable Joint Stock Limited Company* in the amount of RMB500 million, with a term of 3 years and an interest rate of 3.5%, which sets the lowest interest rate among the peers during the same period.

With the macroeconomic environment remaining under great pressure in 2022, it is favorable for the Company to maintain the issuance amount of debt financing instruments for flexible supplementation of liquidity, adjustment to debt structure or project investment according to the actual circumstances and promoting the sustainable development of the Company.

* For identification purpose only

LETTER FROM THE BOARD

The Board has resolved to obtain a mandate to issue debt financing instruments, details of which are as follows:

- I. Proposal for the issue of debt financing instruments by the Company
 1. The amount of debt financing instrument issuance would not exceed RMB2.5 billion, and the term would not exceed 10 years. Subject to the requirements of the relevant laws, regulations and regulatory documents, proceeds from the issue will be used to satisfy necessary purposes such as the Company's requirements for production and operations, to adjust the debt structure, to supplement liquidity or project investments, and to fund the prevention and control of the pandemic;
 2. The debt financing instruments proposed to be issued by the Company include but not limited to debentures, corporate bonds, and debt financing instruments of the inter-bank bond market such as medium-term notes, short-term financing coupons and super short-term financing coupons, which can be of single term or a combination of multiple terms. Specific term composition and varieties of terms shall be determined by the Board and the person authorised by it according to the relevant requirements and the market conditions;
 3. The way of issue of the debt financing instruments shall be subject to approval of, filing or registration by the regulatory authorities in accordance with relevant regulations, whether one-off or in tranches, public or non-public issuance; and
 4. The resolution for the issue of debt financing instruments by the Company shall be valid for 24 months from the date of approval at the shareholders' general meeting.
- II. Relevant authorisation for the debt financing instruments
 1. To authorise the Board to determine all matters relating to the issuance of debt financing instruments in accordance with the Company's business needs and the prevailing market conditions, including but not limited to:
 - (1) determining the issuer, the types of debt financing instruments to be issued, the size of the issue, the way of issuance, the location of issuance, the timing of issuance, the terms of issuance, the amount of issuance of the specific debt financing instruments in each tranche, the use of proceeds, the issue price, the issuance interest rate, the subscribers, issue-related matters such as underwriting method, purpose of issuance, and method of guarantee;

LETTER FROM THE BOARD

- (2) deciding on the engagement of professional institutions and personnel such as underwriters, credit rating agencies, auditor, and law firms to handle matters related to the issuance;
 - (3) applying to the relevant competent regulatory authorities for procedures such as approval, filing and registration of the issuance;
 - (4) signing, executing, and amending the contracts, agreements and relevant documents related to the issuance of debt financing instruments;
 - (5) selecting bond trustees and formulating the rules of procedures for bondholders' meeting (if applicable);
 - (6) in the event of changes in the issuance policies of the regulatory authorities or changes in market conditions, except for matters that require re-voting at the shareholders' general meeting as required by the relevant laws, regulations and the Articles of Association, the Company may rely on the opinions of the regulatory authorities or the prevailing market conditions within the scope of authorisation of the shareholders' general meeting to make corresponding adjustments to relevant matters such as the specific plan for the issuance of debt financing instruments;
 - (7) handling other matters related to the issuance, listing or listing of debt financing instruments; and
 - (8) handling any other specific matters related to the issue of debt financing instruments.
2. The Board authorises the chairman of the Board as the authorised person of the Board upon authorisation at the shareholders' general meeting to determine and handle specifically relevant matters of the above debt financing instruments on behalf of the Company in accordance with the resolutions of the shareholders' general meeting and the authorisation of the Board.
 3. Upon approval, filing or registration of the above debt financing instruments with the competent regulatory authorities, the Board authorises the chairman of the Board to make a decision on the actual issuance within the range of a single issuance of not more than RMB500 million and a cumulative issuance of not more than RMB1.5 billion. Issuance beyond the aforesaid range shall be considered and approved by the Board.

LETTER FROM THE BOARD

4. The above authorisation is valid for 24 months from the date of approval at the shareholders' general meeting. If the Board or the authorised person has determined the issue or partial issue within the validity period of the authorisation and the issue approval, permission, registration or registration have not been obtained from the regulatory authorities, or the issue approval, permission, registration or registration have been approved by the regulatory authorities but the issue has not been completed, the authorisation to the Board or the person authorised by the Board shall remain valid until the date of completion of such issue.

This proposal has been approved by the Board, and shall be submitted to the AGM for consideration and approval by way of a special resolution pursuant to Articles of Association.

12. AGM

The Board proposed to convene the AGM, to consider and, if thought fit, approve (i) the report of the Board for the year 2021; (ii) the report of the Board of Supervisors for the year 2021; (iii) the 2021 annual report of the Company; (iv) the final financial report for the year 2021; (v) the proposed profit distribution plan for the year 2021; (vi) the re-appointment of KPMG Huazhen LLP as the independent auditors of the Company for the year 2022; (vii) the purchase of liability insurance for the Directors, Supervisors and senior management; (viii) the 2022 annual external guarantee amount; (ix) the bill pool business of the Company; and (x) the proposed mandate for issue of debt financing instruments and relevant authorization, at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, June 28, 2022 at 2:00 p.m.. The Company has provided holders of H Shares with the notice of the AGM and form of proxy.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. The proxy form should be returned by holder of H Shares to the Company's H Share registrar, Tricor Investor Services Limited, at Level 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 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.

LETTER FROM THE BOARD

13. CLOSURE OF REGISTER OF MEMBERS

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

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

Latest time for lodging transfers of H Shares	4:30 p.m., Wednesday, June 22, 2022
Closure date of H Share register of members	from Thursday, June 23, 2022 to Tuesday, June 28, 2022 (both days inclusive)
Record Date	Thursday, June 23, 2022
Latest time for return of proxy form of the AGM	2:00 p.m., Monday, June 27, 2022
Date of the AGM	Tuesday, June 28, 2022

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

Latest time for lodging transfers of H Shares	4:30 p.m., Tuesday, July 5, 2022
Closure date of H Share register of members	from Wednesday, July 6, 2022 to Wednesday, July 13, 2022 (both days inclusive)
Dividend Entitlement Date	Wednesday, July 13, 2022

In order for the holders of H Shares to be qualified to attend and vote at the AGM and be entitled to the proposed dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before the aforesaid deadline for lodging the transfer documents (for holders of H Shares).

Holders of H Shares whose names appear on the register of members of the Company on Wednesday, July 13, 2022 (the "**Dividend Entitlement Date**") are entitled to the proposed dividend of the Company (subject to approval of the Shareholders).

Shareholders of the Company should read this paragraph carefully. Should there be anyone who intends to change his/her identity as a Shareholder, please seek advice on the relevant procedures from the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identities of the Shareholders. In addition, the Company will

LETTER FROM THE BOARD

withhold corporate income tax and individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H Share register of members as at the Dividend Entitlement Date, and will not entertain or assume responsibility for any requests or claims in relation to any delay or inaccuracies in ascertaining the identities of the Shareholders or any disputes over the arrangements for withholding the corporate income tax and individual income tax.

14. VOTING BY POLL

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

15. RECOMMENDATIONS

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

16. FURTHER INFORMATION

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

Yours faithfully

For and on behalf of the Board

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

Ma Jie

Chairman

* *For identification purpose only*

To satisfy the daily operational needs of each subsidiary of the Group, the Company proposed that during year 2022, the Company would provide its subsidiaries and those subsidiaries would provide among each other guarantees not exceeding the amount of USD190 million, RMB109 million, ZAR60 million and MXN5 million (Mexican Peso), equivalent to approximately RMB1.336 billion. Details of the 2022 annual external guarantee amount are set out below:

No.	Subsidiary	Estimated amount of guarantee in 2022
1	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	USD110,000,000
2	PT Yangtze Optics Indonesia	USD10,000,000
3	Yangtze Optics Africa Holdings Proprietary Limited	ZAR60,000,000
4	PT Yangtze Optical Fibre Indonesia	USD5,000,000
5	YOFC International (Singapore) Pte. Ltd.	USD5,000,000
6	YOFC Peru S.A.C.*	USD60,000,000
7	YOFC International (Thailand) Co., Ltd.	RMB8,500,000
8	YOFC International (Philippines) Corporation	RMB100,000,000
9	YOFC International Mexico S.A. de C.V.	MXN5,000,000

* In 2022, YOFC Peru S.A.C. expected that the guarantee amount does not include the guarantee of no more than USD123.59 million required by YOFC Peru S.A.C. to issue the performance bond and advance payment guarantee for the implementation of the third phase of the domestic broadband connection coverage project in Peru. The quota of the guarantee has been approved by the sixth meeting of the Company's third session of the Board on July 17, 2020 and the Company's second extraordinary general meeting of Shareholders in 2020 on August 4, 2020. The guarantee amount is valid for no more than five years from the first day of signing the agreement with the relevant financial institution upon approval at the shareholders' general meeting of the Company.

The actual financing amount of each of the Company's subsidiary shall not exceed the amount guaranteed, and the actual financing amount shall be reasonably determined according to the actual needs of such company. The 2022 annual external guarantee amount shall be valid from the date of the approval by the Shareholders until June 30, 2023.

BASIC INFORMATION ON THE GUARANTEED PARTIES**1. Yangtze Optical Fibre and Cable Company (Hong Kong) Limited**

Registered Address: FLAT/RM01, BLK02, 26/F, Lippo Centre, No.89 Queensway, Hong Kong

Registered Capital: HKD80,000 and USD26,000,000

Scope of Business: Engaging in the import and export trade of optical fibres, optical fibre cables and relevant raw materials

Shareholding Structure: 100% owned by the Company

Key Financial Position: As of December 31, 2021, Yangtze Optical Fibre and Cable Company (Hong Kong) Limited had total assets of RMB876.9651 million, total liabilities of RMB597.9863 million, net assets of RMB278.9788 million, current liabilities of RMB597.9825 million, non-current liabilities of RMB0.0038 million; operating income of RMB752.2804 million and net profit of RMB34.8302 million for the year 2021. (The above information has not been audited and was converted into RMB)

2. PT Yangtze Optics Indonesia

Registered Address: Surya Cipta City of Industry Jl. Surya Madya X Kav.1-65 E4, Karawang, WestJava, Indonesia

Registered Capital: USD14,000,000

Scope of Business: Engaging in the business activities of the optical fibre and optical fibre cable industry

Shareholding Structure: 90% owned by the Company, 10% owned by PT Fiber Optik Teknologi Indonesia

Key Financial Position: As of December 31, 2021, PT Yangtze Optics Indonesia had total assets of RMB444.4294 million, total liabilities of RMB243.5269 million, net assets of RMB200.9025 million, current liabilities of RMB243.5269 million, non-current liabilities of nil; operating income of RMB151.3390 million and net profit of RMB3.0906 million for the year 2021. (The above information has not been audited and was converted into RMB)

3. Yangtze Optics Africa Holdings Proprietary Limited

Registered Address: 322 15th Road, Randjespark, Midrand, Gaueng, 1685

Registered Capital: USD10,000,000

Scope of Business: Investment and trading

Shareholding Structure: 51% owned by the Company, 23.9% owned by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, 25.1% owned by Mustek Limited

Key Financial Position: As of December 31, 2021, Yangtze Optics Africa Holdings Proprietary Limited had total assets of RMB97.1677 million, total liabilities of RMB40.2771 million, net assets of RMB56.8906 million, current liabilities of RMB40.1658 million, non-current liabilities of RMB0.1113 million; operating income of RMB118.0698 million and net profit of RMB8.4911 million for the year 2021. (The above information has not been audited and was converted into RMB)

4. PT Yangtze Optical Fibre Indonesia

Registered Address: Jl. Surya Madya X Kav 1-65 E3, Surya Cipta City of Industry, Desa Mulyasari Kecamatan Ciampel, Kabupaten Karawang

Registered Capital: IDR126.79 billion

Scope of Business: Engaging in the manufacturing and sales of optical fibre and optical fibre cable

Shareholding Structure: 70% owned by the Company, 30% owned by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited

Key Financial Position: As of December 31, 2021, PT Yangtze Optical Fibre Indonesia had total assets of RMB323.3170 million, total liabilities of RMB194.1351 million, net assets of RMB129.1819 million, current liabilities of RMB194.1351 million, non-current liabilities of nil; operating income of RMB145.2573 million and net loss of RMB3.3694 million for the year 2021. (The above information has not been audited and was converted into RMB)

5. YOFC International (Singapore) Pte. Ltd.

Registered Address: 12 Marina Boulevard#17-01fzl Marina Bay Financial Centre Singapore

Registered Capital: USD8,000,000

Scope of Business: General import and export wholesale trade (import and export of telecommunication equipment for trade purpose) and other uncategorised telecommunication related business activities

Shareholding Structure: 100% owned by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited

Key Financial Position: As of December 31, 2021, YOFC International (Singapore) Pte. Ltd. had total assets of RMB56.3691 million, total liabilities of RMB15.2196 million, net assets of RMB41.1495 million, current liabilities of RMB15.2196 million, non-current liabilities of nil; operating income of RMB29.3304 million and net profit of RMB30.3061 million for the year 2021. (The above information has not been audited and was converted into RMB)

6. YOFC Peru S.A.C.

Registered Address: Av. Enrique Canaval Moreyra N° 480, Oficina 1501, Lima 27

Registered Capital: PEN108,693,728

Scope of Business: Provision of public telecommunication services, especially internet access and intranet services to public institutions, private entities and individuals; planning, design, construction, financing, operation, maintenance and/or repair of telecommunication networks and/or telecommunication systems and provision of other goods required for general telecommunication services, especially the goods required for provision of internet access and intranet services to public institutions, private entities and individuals; all actions related to the above that help achieve goals of the company and comply with the law are included

Shareholding Structure: 75% owned by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited, 25% owned by Yachay Telecomunicaciones S.A.C.

Key Financial Position: As of December 31, 2021, YOFC Peru S.A.C. had total assets of RMB709.8041 million, total liabilities of RMB506.2535 million, net assets of RMB203.5506 million, current liabilities of RMB506.2535 million, non-current liabilities of nil; operating income of RMB187.0716 million and net loss of RMB1.3916 million for the year 2021. (The above information has not been audited and was converted into RMB)

7. YOFC International (Thailand) Co., Ltd.

Registered Address: Olympia Thai Tower, 13th Floor, 444 Ratchadapisek Road, Samsennok, Huay Kwang, Bangkok, The Kingdom of Thailand

Registered Capital: 1,000,000 issued shares of THB10 each

Scope of Business: Import and export of optical fibres, optical fibre cables and telecommunication products, engineering design, telecommunication facility construction, import and export of insulation materials, aluminium strips and steel strips required for optical fibre and optical fibre cable and other protective products for circuits and cables.

Shareholding Structure: 100% controlled by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited

Key Financial Position: As of December 31, 2021, YOFC International (Thailand) Co., Ltd. had total assets of RMB46.0845 million, total liabilities of RMB37.7510 million, net assets of RMB8.3335 million, current liabilities of RMB37.7510 million, non-current liabilities of nil; operating income of RMB51.0232 million and net loss of RMB2.3217 million for the year 2021. (The above information has not been audited and was converted into RMB)

8. YOFC International (Philippines) Corporation

Registered Address: 3rd Flr. 170 Salcedo St., Legaspi Village, Makati City, Republic of the Philippines

Registered Capital: 10,200,000 issued shares of PHP1.00 each

Scope of Business: Sales of optical fibres and optical fibre cables and related packaged engineering services

Shareholding Structure: 100% controlled by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited

Key Financial Position: As of December 31, 2021, YOFC International (Philippines) Corporation had total assets of RMB404.3501 million, total liabilities of RMB393.6228 million, net assets of RMB10.7273 million, current liabilities of RMB391.5717 million, non-current liabilities of RMB2.0511 million; operating income of RMB296.5321 million and net loss of RMB6.2770 million for the year 2021. (The above information has not been audited and was converted into RMB)

9. YOFC International Mexico S.A. de C.V.

Registered Address: Ave Insurgentes Sur 730, Piso 1, Del Valle Centro, Mexico, Ciudad De MEXICO

Registered Capital: MXN1,913,700

Scope of Business: Import, export, distribution, maintenance, storage, sales and manufacturing of optical fibres and optical fibre cables, and businesses relating to the system integration of optical fibres, optical fibre cables and other optical communication products

Shareholding Structure: 100% controlled by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited.

Key Financial Position: As of December 31, 2021, YOFC International Mexico S.A. de C.V. had total assets of RMB79.6075 million, total liabilities of RMB92.9430 million, net assets of -RMB13.3355 million, current liabilities of RMB92.9430 million, non-current liabilities of nil; operating income of RMB198.6231 million and net loss of RMB7.0491 million for the year 2021. (The above information has not been audited and was converted into RMB)

On December 17, 2021, the Proposal on the Company's Bill Pool Business was considered and approved at the 14th meeting of the third session of the Board of Directors held by the Company, pursuant to which the Company and its subsidiaries are allowed to conduct bill pool business with creditworthy commercial banks in China based on actual business development and financing needs, provided that the total current balance of the bill pool shall not be more than RMB600 million.

I. OVERVIEW OF BILL POOL BUSINESS

1. Business Overview

Bill pool business refers to correspondent financial institutions setting up a bill pool for the Company and the subsidiaries in its consolidated statements to meet their needs for unified management and coordinated use of commercial bills held by them, which is an integrated bill management service system offering a wide range of functions to the Group, including bill custody and collection, as well as pledge financing of bills.

2. Business Entities Implemented

The Company and the subsidiaries in its consolidated statements.

3. Cooperating Financial Institutions

The financial institutions with which the Company proposes to conduct bill pool business will be creditworthy commercial banks in China. Such banks will be selected based on various factors such as the Company's relationships with commercial banks and the bill pool service capabilities of the commercial banks, determined by the Company's management authorised in the general meeting of the Company.

4. Term of Business

The operating term for the above bill pool business shall take effect upon approval at the general meeting and the date of relevant agreements to 30 June 2023.

5. Quota

The Group will share a bill pool quota of no more than RMB600 million, which means that the total current balance of pledged bills used to carry out bill pool business with all cooperating banks shall not exceed RMB600 million. Such quota can be used on a revolving basis during the term of business.

6. Types of Collateral

Under the premise of controllable risk, the Group can adopt various guarantee methods for the establishment and use of bill pool, such as bill pledge and margin pledge. The maximum guarantee amount of the bill pool shall not exceed RMB600 million.

II. PURPOSE OF BILL POOL BUSINESS

By carrying out the bill pool business, the Group can deposit the acceptance bills received in the cooperating financial institutions for centralized management, which is conducive to the overall coordination and information management of bills receivables and bills payables. The Group can use the outstanding negotiable bill assets in the bill pool as pledges, and issue negotiable bills such as bank acceptance bills with the amount not exceeding pledged deposits to pay suppliers' payment for goods and other business operations, which is conducive to reducing capital occupation, improving the utilisation rate of current assets and maximising the interests of Shareholders. At the same time, through the pledge of idle notes receivables, the approved quota can be shared by the companies of the Group, so as to solve the problem of insufficient credit or difficulty in obtaining credit from some of the subsidiaries of the Group.

III. RISKS OF BILL POOL BUSINESS AND RISK CONTROL

To carry out the bill pool business, the Group needs to open a special margin account for the bill pool pledge financing business with the cooperating financial institutions, which is used as an account for collecting pledged bills due. The inconsistency between the maturity of bills receivables and bills payables may cause the custodied capital entering into the margin account of the Group that applies for the issuance of bank acceptance bills to cooperating financial institutions, which may cause certain impacts on the liquidity of the Group.

Risk control measures: the Group can mitigate the impact by replacing margin deposits with newly received bills, which makes the liquidity risk controllable.

IV. DECISION-MAKING PROCEDURES AND ORGANISATIONAL IMPLEMENTATION

As the asset-liability ratio of certain subsidiaries in consolidated statements of the Group is higher than 70%, and the bill pool business involves guarantees amongst the Company's subsidiaries in consolidated statements, this proposal is subject to the approval of the Board and may be implemented only after being submitted to the latest general meeting of the Company for consideration and approval.

Upon approval of the general meeting, within the above quota and term of the bill pool business, the general meeting of the Company has authorised the management of the Company to exercise specific right of decision-making and execute relevant contracts and other legal documents, including but not limited to, the selection of qualified cooperating financial institutions, the quota allocation of different legal entities within the Group and execution of relevant agreements.

V. OPINION OF INDEPENDENT DIRECTORS

Upon verification, the independent Directors are of the view that the bill pool business carried out by the Company and its subsidiaries in consolidated statements is in line with the actual business development needs of the Company, which is conducive to reducing capital occupation and improving the utilisation rate of current assets. During the consideration of the Board, the deliberation procedures were legal and effective, without damaging legal interests of the Company and minority Shareholders. Therefore, the independent Directors agree that the Company carries out the Group's bill pool business.

VI. OPINION OF THE BOARD OF SUPERVISORS

The Board of Supervisors is of the view that the bill pool business carried out by the Company and its subsidiaries in consolidated statements can reduce capital occupation of the Company without damaging the normal operation of the main business of the Company, and there is no harm to the interests of the Company and Shareholders. Therefore, the Board of Supervisors agrees that the Group carries out the Group's bill pooling business.

NOTICE OF THE ANNUAL GENERAL MEETING



Smart Link Better Life.

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM” or the “Meeting”) of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (the “Company”) will be held on Tuesday, June 28, 2022 at 2:00 p.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purpose of considering and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To approve the report of the Board for the year 2021;
2. To approve the report of the Board of Supervisors for the year 2021;
3. To approve the 2021 annual report of the Company;
4. To approve the final financial report for the year 2021;
5. To approve the proposed profit distribution plan for the year 2021;
6. To approve the re-appointment of KPMG Huazhen LLP as independent auditors of the Company for the year 2022;
7. To approve the purchase of liability insurance for the Directors, Supervisors and senior management;
8. To approve the 2022 annual external guarantee amount as set out in Appendix I to the circular of the Company dated May 27, 2022, and that the Board or such person as authorized by the Board, be authorized to handle the specific matters in relation to the external guarantee, including adjusting specific guarantee amount and signing relevant legal documents in accordance with actual business needs within the limit of the 2022 annual external guarantee amount contemplated under this proposals; and
9. To approve the bill pool business to be carried out by the Company as set out in Appendix II to the circular of the Company dated May 27, 2022.

NOTICE OF THE ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

10. To approve the proposal in relation to the proposed mandate for issue of debt financing instruments and relevant authorization.

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, May 27, 2022

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

(1) **Circular**

Details of the above proposed resolutions to be considered at the AGM are set out in the circular of the Company dated May 27, 2022 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.

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

Holders of H shares of the Company (“**H Shares**”) are advised that the register of members of the Company will be closed from Thursday, June 23, 2022 to Tuesday, June 28, 2022 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Thursday, June 23, 2022 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, June 22, 2022.

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

To ascertain the entitlement to the proposed dividend, holders of H Shares are advised that the register of members of the Company will be closed from Wednesday, July 6, 2022 to Wednesday, July 13, 2022 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Company maintained in Hong Kong at close of business on Wednesday, July 13, 2022 are entitled to the proposed dividend of the Company (subject to approval of the Shareholders). In order to qualify for the proposed dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, July 5, 2022.

(4) **Proxy**

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a body corporate, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorized attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarised. To be valid, the proxy form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company by the holder of H Shares by hand or by post not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 2:00 p.m. on Monday, June 27, 2022) 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

(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.

NOTICE OF THE ANNUAL GENERAL MEETING

(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 2:00 p.m. Registration for admission to the AGM will take place from 1:30 p.m. to 2:00 p.m.

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

As at the date of this notice, the Board comprises Zhuang Dan 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.

* *For identification purpose only*