
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 2023**
- (2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023**
- (3) 2023 ANNUAL REPORT**
- (4) FINAL FINANCIAL REPORT FOR THE YEAR 2023**
- (5) PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023**
- (6) PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY FOR THE YEAR 2024**
- (7) PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**
- (8) PROPOSAL ON THE 2024 ANNUAL EXTERNAL GUARANTEE AMOUNT**
- (9) PROPOSAL ON THE 2024 ASSET POOL BUSINESS OF THE COMPANY**
- (10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (11) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING AND THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS**
- (12) PROPOSED AMENDMENTS TO THE WORKING RULES FOR INDEPENDENT DIRECTORS**
- (13) PROPOSED DIVIDEND PLAN FOR THE NEXT THREE YEARS (2024-2026)**
- (14) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND**
- (15) NOTICE OF ANNUAL GENERAL MEETING**

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

A notice convening the AGM to be held at Multi-functional Meeting Room, 2/F, YOFC Headquarters Building, No. 65 Guanggu Chuangye Street, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, June 18, 2024 at 2:00 p.m. is set out on pages 98 to 101 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 28, 2024

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DEFINITIONS

“AGM”	an annual general meeting of the Company to be held at Multi-functional Meeting Room, 2/F, YOFC Headquarters Building, No. 65 Guanggu Chuangye Street, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, June 18, 2024 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” or “Board of Directors”	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 the SSE and the Main Board of the Stock Exchange, respectively
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* For identification purpose only

DEFINITIONS

“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
“Procedural Rules for the Board of Directors”	the procedural rules for the Board, as amended from time to time
“Procedural Rules for the General Meeting”	the procedural rules for the general meeting of the Company, as amended from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Shares and/or H Shares
“Shareholders”	holders of shares of the Company
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Working Rules for Independent Directors”	the working rules for independent Directors, as amended from time to time

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 Director:

Mr. ZHUANG Dan

Non-executive Directors:

Mr. MA Jie (*Chairman*)

Mr. Philippe Claude VANHILLE

Mr. GUO Tao

Mr. Pier Francesco FACCHINI

Mr. Iuri LONGHI

Mr. XIONG Xiangfeng

Mr. MEI Yong

Independent Non-executive Directors:

Mr. Bingsheng TENG

Mr. SONG Wei

Dr. WONG Tin Yau, Kelvin

Ms. LI Chang'ai

Registered Office:

No. 9 Guanggu Avenue

East Lake High-tech Development Zone

Wuhan, Hubei Province

PRC

Principal Place of Business

in Hong Kong:

5/F, Manulife Place

348 Kwun Tong Road

Kowloon

Hong Kong

May 28, 2024

To the Shareholders

Dear Sir or Madam,

- (1) REPORT OF THE BOARD FOR THE YEAR 2023
- (2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023
- (3) 2023 ANNUAL REPORT
- (4) FINAL FINANCIAL REPORT FOR THE YEAR 2023
- (5) PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023
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- (7) PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
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- (9) PROPOSAL ON THE 2024 ASSET POOL BUSINESS OF THE COMPANY
- (10) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
- (11) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING AND THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS
- (12) PROPOSED AMENDMENTS TO THE WORKING RULES FOR INDEPENDENT DIRECTORS
- (13) PROPOSED DIVIDEND PLAN FOR THE NEXT THREE YEARS (2024-2026)
- (14) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND
- (15) 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 2023; (ii) the report of the Board of Supervisors for the year 2023; (iii) the 2023 annual report of the Company; (iv) the final financial report for the year 2023; (v) the proposed profit distribution plan for the year 2023; (vi) the proposed re-appointment of independent auditors of the Company for the year 2024; (vii) the purchase of liability insurance for Directors, Supervisors and senior management; (viii) the proposal on the 2024 annual external guarantee amount; (ix) the proposal on the 2024 asset pool business of the Company; (x) the proposed amendments to the Articles of Association; (xi) the proposed amendments to the Procedural Rules for the General Meeting and the Procedural Rules for the Board of Directors; (xii) the proposed amendments to the Working Rules for Independent Directors; (xiii) the proposed dividend plan for the next three years (2024-2026); (xiv) the proposed appointment of non-executive Director; and (xv) the notice of the AGM.

2. REPORT OF THE BOARD FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for the year 2023, the text of which has been set out in the 2023 annual report of the Company published on April 26, 2024.

3. REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board of Supervisors for the year 2023, the text of which has been set out in the 2023 annual report of the Company published on April 26, 2024.

4. 2023 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to consider and approve the 2023 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 2023 has been set out in the 2023 annual report of the Company published on April 26, 2024.

5. FINAL FINANCIAL REPORT FOR THE YEAR 2023

According to the consolidated financial statements of the Company audited by KPMG Huazhen LLP, the key highlights of the final financial report for the year 2023 of the Company are as follows:

- (i) In year 2023, the revenue of the Company was RMB13,352.8 million, the profit for the year attributable to equity Shareholders was RMB1,297.4 million, and the earnings per Share was RMB1.71.
- (ii) As at December 31, 2023, the total assets of the Company were RMB29,142.3 million, the total liabilities were RMB14,744.8 million, the total equity attributable to equity shareholders of the Company was RMB11,307.1 million, and the total liabilities were 50.6% of the total assets of the Company.

LETTER FROM THE BOARD

- (iii) For the year ended December 31, 2023, the net cash generated from operating activities was RMB1,514.4 million, the net cash used in investing activities was RMB2,613.7 million, and the net cash generated from financing activities was RMB643.4 million.

6. PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023

Based on the total share capital of 757,905,108 Shares issued and listed as of December 31, 2023, the Board proposed to distribute a dividend of RMB5.14 per 10 Shares (inclusive of tax), with the total dividends amounting to approximately RMB389,563,226 (inclusive of tax). The expected payment date is on or before August 16, 2024. The proposed dividend is subject to approval by Shareholders at the AGM to be held on June 18, 2024 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 (the “**Northbound Shareholders**”) and holders of H Shares through the Southbound Trading Link (including Shanghai and Shenzhen markets, 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 (“**CSDC**”), 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 May 13, 1994, overseas individuals are, as an interim measure,

LETTER FROM THE BOARD

exempted from the PRC individual income tax for dividends or bonuses received from 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 December 31, 2023 to overseas individual shareholders whose names appear on the register of members of H Shares.

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 the SSE through the 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 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 listed on the Stock Exchange through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, the Company will withhold their income tax with reference to the provisions concerning the collection of tax on individual investors. The Company will not withhold income tax on dividends obtained by mainland enterprise investors, and mainland enterprise investors shall file their income tax returns and pay tax themselves instead.

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

LETTER FROM THE BOARD

7. PROPOSED RE-APPOINTMENT OF INDEPENDENT AUDITORS OF THE COMPANY FOR THE YEAR 2024

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 2024, 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, 2024. 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.

9. PROPOSAL ON THE 2024 ANNUAL EXTERNAL GUARANTEE AMOUNT

To satisfy the daily operational needs of each subsidiary of the Group, the Company proposed that during year 2024, the Company would provide its subsidiaries and those subsidiaries would provide among each other guarantees not exceeding the amount of USD207 million, RMB109 million, ZAR160 million, MXN5 million (Mexican Peso) and EUR10 million, equivalent to approximately RMB1,716 million. In addition, it is proposed that the Board or such person as authorized by the Board, be authorized to handle the specific matters

LETTER FROM THE BOARD

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 2024 annual external guarantee amount contemplated under this proposal.

Details of the 2024 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 of the Articles of Association.

10. PROPOSAL ON THE 2024 ASSET 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 asset pool business.

Details of the 2024 asset pool business of the Company are set out in Appendix II of this circular.

11. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to bring the Articles of Association in line with, among others, the Opinions on the Reform of the Independent Director System of Listed Companies (Guobanfa [2023] No. 9)* (《關於上市公司獨立董事制度改革的意見》(國辦發[2023]9號)), the Measures for the Administration of Independent Directors of Listed Companies" (CSRC Order No. 220)* 《上市公司獨立董事管理辦法》(證監會令[2023]220號), the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends by Listed Companies (CSRC Announcement [2023] No. 61)* (《上市公司監管指引第3號–上市公司現金分紅》(證監會公告[2023]61號)), the Shanghai Stock Exchange Stock Listing Rules* (《上海證券交易所股票上市規則》), the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operations* (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and the Guidelines on the Articles of Association of Listed Companies* (《上市公司章程指引》) and to incorporate respective housekeeping amendments, the Board proposed to make conforming amendments to the Articles of Association. Details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular. The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolution at the AGM and will come into effect after obtaining all necessary approvals, authorizations or registration (if applicable) from or filing with the relevant government or regulatory authorities.

The Company has obtained (i) a letter from its legal advisers as to Hong Kong laws which confirmed that the amended Articles of Association comply with the applicable requirements to the Listing Rules, and (ii) a letter from its legal advisers as to PRC laws which confirmed that the amended Articles of Association do not violate the laws of the PRC. The Company also confirms that there is nothing unusual in the amended Articles of Association from the perspective of a PRC company listed on the Stock Exchange.

LETTER FROM THE BOARD

12. PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE GENERAL MEETING AND THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS

In view of the proposed amendments to the Articles of Association, the Board proposed to amend certain articles in the Procedural Rules for the General Meeting and the Procedural Rules for the Board of Directors to reflect such changes. Details of the proposed amendments are set out in Appendix IV and Appendix V to this circular, respectively. The proposed amendments to the Procedural Rules for the General Meeting and the Procedural Rules for the Board of Directors are subject to the approval of the Shareholders by way of separate special resolution at the AGM.

13. PROPOSED AMENDMENTS TO THE WORKING RULES FOR INDEPENDENT DIRECTORS

In order to align with, among others, the Opinions on the Reform of the Independent Director System of Listed Companies (Guobanfa [2023] No. 9)* and the Measures for the Administration of Independent Directors of Listed Companies (CSRC Order No. 220)* as well as to incorporate certain housekeeping amendments, the Board proposed to amend certain articles in the Working Rules for Independent Directors. Details of the proposed amendments to the Working Rules for Independent Directors are set out in Appendix VI to this circular. The proposed amendments to the Working Rules for Independent Directors are subject to the approval of the Shareholders by way of special resolution at the AGM.

14. PROPOSED DIVIDEND PLAN FOR THE NEXT THREE YEARS (2024-2026)

In order to further optimize the return for shareholders mechanism of the Company, to maintain a consistent and stable profits distribution policy, to strengthen the rationality, stability and transparency of cash dividend plan, and to actively provide return to shareholders, the Company formulated and proposed the dividend plan for the next three years (2024-2026) in accordance with the relevant requirements of the Notice to Further Implement Cash Dividend for Listed Companies (Zheng Jian Fa [2012] No. 37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)), the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies (2022 Revision) (CSRC Announcement [2022] No. 3) (《上市公司監管指引第3號–上市公司現金分紅(2022年修訂)》(證監會公告[2022]3號)) and the Articles of Association.

Details of the proposed dividend plan for the next three years (2024-2026) are set out in Appendix VII to this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

LETTER FROM THE BOARD

15. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Mr. Iuri Longhi has tendered his resignation as a non-executive Director due to changes in work arrangement. To fill the vacancy of the Board, Draka Comteq B.V. (荷蘭德拉克通信科技有限公司), a Shareholder who, proposed to nominate Mr. Lars Frederick Persson (“**Mr. Persson**”) as a non-executive Director for the fourth session of the Board of Directors. The proposed appointment of Mr. Persson is subject to the approval of the Shareholders by way of ordinary resolution at the AGM.

Mr. Iuri Longhi’s resignation will take effect from the date of the AGM when the proposed appointment of Mr. Persson as a non-executive Director is approved by the Shareholders. Mr. Iuri Longhi has confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that should be brought to the attention of the Shareholders.

Mr. Persson’s term of office as a non-executive Director shall commence on the date of the approval of the Shareholders at the AGM and end on the expiry of the term of the current session of the Board. According to the Articles of Association, Mr. Persson’s term of office as a Director shall be three years and he will be eligible for re-election upon the expiration of the term of the current session of the Board.

The biographical details of Mr. Persson as required under Rule 13.51(2) of the Listing Rules are set out below:

Mr. Persson, aged 52. In December 2010, Mr. Persson joined Prysmian Group as chief executive officer for the business of Prysmian Group in Sweden until March 2014. From March 2014 to February 2018, he acted as the chief executive officer for the business of Prysmian Group in the Australia-New Zealand (ANZ) region. Subsequently, from February 2018 to December 2023, Mr. Persson was the chief executive officer for the business of Prysmian Group in the middle-east Europe. In December 2023, Mr. Persson was promoted to executive vice president of Prysmian Group, in charge of the digital solutions business unit of Prysmian Group.

Mr. Persson received a bachelor’s degree in science in logistics from Linnaeus University (formerly known as Växjö University) in Sweden in January 1996.

It is proposed that Mr. Persson will enter into a service contract with the Company, pursuant to which, Mr. Persson will be entitled to receive a Director’s fee of RMB380,000 per annum (after all taxes have been deducted) for serving as an non-executive Director. The aforementioned remuneration shall be subject to the approval by the Shareholders at the AGM.

Save as disclosed above, as at the date of this circular, Mr. Persson has confirmed that he (i) did not assume other offices in any group member of the Company; (ii) did not have any relationship with any Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders or other group members of the Company; (iii) did not hold any

LETTER FROM THE BOARD

interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iv) does not hold any other major appointments and professional qualifications; and (v) did not hold any other directorship or supervisor position in any other listed companies at present nor in the past three years.

Save as disclosed above, as at the date of this circular, there is no information which is discloseable, nor is the Company aware that Mr. Persson is/was involved in any of the matters required to be disclosed, pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that should be brought to the attention of the Shareholders.

16. AGM

The Board proposed to convene the AGM, to consider and, if thought fit, approve (i) the report of the Board for the year 2023; (ii) the report of the Board of Supervisors for the year 2023; (iii) the 2023 annual report of the Company; (iv) the final financial report for the year 2023; (v) the proposed profit distribution plan for the year 2023; (vi) the proposed re-appointment of independent auditors of the Company for the year 2024; (vii) the purchase of liability insurance for Directors, Supervisors and senior management of the Company; (viii) the proposal on the 2024 annual external guarantee amount; (ix) the proposal on the 2024 asset pool business of the Company; (x) the proposed amendments to the Articles of Association; (xi) the proposed amendments to the Procedural Rules for the General Meeting and the Procedural Rules for the Board of Directors; (xii) the proposed amendments to the Working Rules for Independent Directors; (xiii) the proposed dividend plan for the next three years (2024-2026) and (xiv) the proposed appointment of non-executive Director, at Multi-functional Meeting Room, 2/F, YOFC Headquarters Building, No. 65 Guanggu Chuangye Street, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, June 18, 2024 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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

17. 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 12, 2024

Closure date of H Share register of members from Thursday, June 13, 2024 to Tuesday, June 18, 2024 (both days inclusive)

Record Date Tuesday, June 18, 2024

Latest time for return of proxy form of the AGM 2:00 p.m., Monday, June 17, 2024

Date of the AGM Tuesday, June 18, 2024

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., Friday, June 21, 2024

Closure date of H Share register of members from Monday, June 24, 2024 to Tuesday, July 2, 2024 (both days inclusive)

Dividend Entitlement Date Tuesday, July 2, 2024

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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 Tuesday, July 2, 2024 (the "**Dividend Entitlement Date**") are entitled to the proposed dividend of the Company (subject to approval of the Shareholders).

LETTER FROM THE BOARD

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

18. 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.

19. RECOMMENDATION

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.

20. ADDITIONAL INFORMATION

Additional information is also set out in the appendices of this circular for your information.

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 2024, the Company would provide its subsidiaries and those subsidiaries would provide among each other guarantees not exceeding the amount of USD207 million, RMB109 million, ZAR160 million, MXN5 million (Mexican Peso) and EUR10 million, equivalent to approximately RMB1,716 million. Details of the 2024 annual external guarantee amount are set out below:

No.	Name of Subsidiary	Shareholding percentage of the Company	Gearing ratio of the subsidiary as of December 31, 2023	Estimated guarantee amount for the year 2024	The estimated guarantee amount as a percentage of the net assets of the Company as of December 31, 2023
1	Yangtze Optical Fibre and Cable Company (Hong Kong) Limited	100%	37.68%	USD110 million	6.90%
2	PT Yangtze Optics Indonesia	100%	41.44%	USD10 million	0.63%
3	Yangtze Optics Africa Holdings Proprietary Limited	74.9%	44.34%	ZAR160 million	0.53%
4	PT Yangtze Optical Fibre Indonesia	100%	45.35%	USD5 million	0.31%
5	YOFC International (Singapore) Pte. Ltd.	100%	8.08%	USD5 million	0.31%
6	YOFC Peru S.A.C.	100%	77.28%	USD60 million	3.76%
7	YOFC International (Thailand) Co., Ltd.	100%	80.47%	RMB8.5 million	0.08%
8	YOFC International (Philippines) Corporation	100%	98.59%	RMB100 million	0.88%
9	YOFC International Mexico S.A. de C.V.	100%	109.31%	MXN5 million	0.02%
10	PT YOFC International Indonesia	100%	89.60%	USD10 million	0.63%
11	Yangtze Optical Fibre and Cable Company (Poland) sp. z o.o.	100%	70.15%	EUR5 million	0.34%
12	Yangtze Optics Mexico Cable S.A. de C.V.	100%	76.26%	USD5 million	0.31%
13	YOFC International (Poland) sp. z o.o.	100%	50.93%	EUR5 million	0.34%
14	YOFC International (Malaysia) Sdn. Bhd.	100%	3.34%	USD2.0 million	0.13%

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 2024 annual external guarantee amount shall be valid from the date of the approval by the Shareholders until June 30, 2025.

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 USD52,000,000

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

Date of Incorporation: July 2013

Shareholding Structure: 100% owned by the Company

Key Financial Position: As of December 31, 2023, Yangtze Optical Fibre and Cable Company (Hong Kong) Limited had total assets of RMB1,275.4869 million, total liabilities of RMB480.5994 million, net assets of RMB794.8876 million, current liabilities of RMB480.5811 million, non-current liabilities of RMB0.0183 million; operating income of RMB752.4820 million and net profit of RMB371.9452 million for the year 2023. (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, West Java, Indonesia

Registered Capital: USD32,000,000

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

Date of Incorporation: April 2017

Shareholding Structure: 29.65% owned by the Company, 70.35% owned by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited

Key Financial Position: As of December 31, 2023, PT Yangtze Optics Indonesia had total assets of RMB381.5556 million, total liabilities of RMB158.1203 million, net assets of RMB223.4353 million, current liabilities of RMB158.1203 million, non-current liabilities of RMB0; operating income of RMB338.7704 million and net profit of RMB10.9431 million for the year 2023. (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: ZAR203,312,045.75

Scope of Business: Investment and trading

Date of Incorporation: January 2016

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, 2023, Yangtze Optics Africa Holdings Proprietary Limited had total assets of RMB169.6022 million, total liabilities of RMB75.2073 million, net assets of RMB94.3949 million, current liabilities of RMB75.1572 million, non-current liabilities of RMB50,100; operating income of RMB116.1176 million and net profit of RMB7.6626 million for the year 2023. (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: USD21,000,000

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

Date of Incorporation: May 2015

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, 2023, PT Yangtze Optical Fibre Indonesia had total assets of RMB254.2154 million, total liabilities of RMB115.2931 million, net assets of RMB138.9223 million, current liabilities of RMB115.2931 million, non-current liabilities of RMB0; operating income of RMB209.3877 million and net loss of RMB6.2965 million for the year 2023. (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: EUR18,455,000 and USD19,028,000

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

Date of Incorporation: February 2018

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

Key Financial Position: As of December 31, 2023, YOFC International (Singapore) Pte. Ltd. had total assets of RMB308.5702 million, total liabilities of RMB24.9181 million, net assets of RMB283.6521 million, current liabilities of RMB24.9181 million, non-current liabilities of RMB0; operating income of RMB29.5571 million and net loss of RMB2.8257 million for the year 2023. (The above information has not been audited and was converted into RMB)

6. YOFC Peru S.A.C.

Registered Address: Av. Enrique Canaval Moreyra No 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

Date of Incorporation: January 2019

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

Key Financial Position: As of December 31, 2023, YOFC Peru S.A.C. had total assets of RMB1,010.7657 million, total liabilities of RMB781.1510 million, net assets of RMB229.6147 million, current liabilities of RMB781.1510 million, non-current liabilities of RMB0; operating income of RMB130.6558 million and net profit of RMB0.7766 million for the year 2023. (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: THB50,000,000

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

Date of Incorporation: October 2016

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

Key Financial Position: As of December 31, 2023, YOFC International (Thailand) Co., Ltd. had total assets of RMB29.7472 million, total liabilities of RMB23.9371 million, net assets of RMB5.8101 million, current liabilities of RMB23.9371 million, non-current liabilities of RMB0; operating income of RMB20.555 million and net loss of RMB2.9747 million for the year 2023. (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, with a nominal value of PHP1.00 each

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

Date of Incorporation: December 2017

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

Key Financial Position: As of December 31, 2023, YOFC International (Philippines) Corporation had total assets of RMB415.3926 million, total liabilities of RMB409.5417 million, net assets of RMB5.8509 million, current liabilities of RMB409.4517 million, non-current liabilities of RMB0; operating income of RMB312.8111 million and net profit of RMB0.6551 million for the year 2023. (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

Date of Incorporation: March 2019

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

Key Financial Position: As of December 31, 2023, YOFC International Mexico S.A. de C.V. had total assets of RMB143.9359 million, total liabilities of RMB157.3372 million, net liabilities of RMB13.4013 million, current liabilities of RMB157.3372 million, non-current liabilities of RMB0; operating income of RMB104.0439 million and net loss of RMB6.4689 million for the year 2023. (The above information has not been audited and was converted into RMB)

10. PT YOFC International Indonesia

Registered Address: JAKARTA BARAT, Indonesia

Registered Capital: IDR4,000,000,000

Scope of Business: Sales of optical fibres and optical fibre cables and its complementary products, and businesses relating to system integration of optical fibres and optical fibre cables

Date of Incorporation: May 2018

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

Key Financial Position: As of December 31, 2023, PT YOFC International Indonesia had total assets of RMB244.5556 million, total liabilities of RMB219.1310 million, net assets of RMB25.4246 million, current liabilities of RMB219.1310 million, non-current liabilities of RMB0; operating income of RMB380.3831 million and net profit of RMB22.2145 million for the year 2023. (The above information has not been audited and was converted into RMB)

11. Yangtze Optical Fibre and Cable Company (Poland) sp. z o.o.

Registered Address: Rawa Mazowiecka, Poland

Registered Capital: PLN5,770,000

Scope of Business: Sales and manufacturing of optical fibre and optical fibre cables, power cable and telecommunications and communication equipment and accessories

Date of Incorporation: April 2021

Shareholding Structure: 100% owned by YOFC International (Singapore) Pte. Ltd.

Key Financial Position: As of December 31, 2023, Yangtze Optical Fibre and Cable Company (Poland) sp. z o.o. had total assets of RMB356.5361 million, total liabilities of RMB250.0987 million, net assets of RMB106.4374 million, current liabilities of RMB249.3268 million, non-current liabilities of RMB0.7719 million; operating income of RMB235.2602 million and net loss of RMB58.5874 million for the year 2023. (The above information has not been audited and was converted into RMB)

12. Yangtze Optics Mexico Cable S.A. de C.V.

Registered Address: Mexico

Registered Capital: MXN203,551

Scope of Business: Sales and manufacturing of optical fibre, optical fibre cables and related products

Date of Incorporation: September 2023

Shareholding Structure: 24.5% owned by YOFC International (Singapore) Pte. Ltd. and 75.5% owned by Yangtze Optical Fibre and Cable Company (Hong Kong) Limited

Key Financial Position: As of December 31, 2023, Yangtze Optics Mexico Cable S.A. de C.V. had total assets of RMB118.1872 million, total liabilities of RMB90.1337 million net assets of RMB28.0536 million, current liabilities of RMB90.1337 million, non-current liabilities of RMB0; operating income of RMB0 and net loss of RMB0.2780 million for the year 2023. (The above information has not been audited and was converted into RMB)

13. YOFC International (Poland) sp. z o.o.

Registered Address: Rawa Mazowiecka, Poland

Registered Capital: PLN1,300,00

Scope of Business: Purchase, sale, distribution, import and export of optical cables and any materials and accessories related to optical communications; engineering and technical consulting

Date of Incorporation: June 2023

Shareholding Structure: 100% owned by YOFC International (Singapore) Pte. Ltd.

Key Financial Position: As of December 31, 2023, YOFC International (Poland) sp. z o.o. had total assets of RMB3.2181 million, total liabilities of RMB1.6389 million, net assets of RMB1.5792 million, current liabilities of RMB1.6389 million, non-current liabilities of RMB0; operating income of RMB1.3298 million and net loss of RMB0.7476 million for the year 2023. (The above information has not been audited and was converted into RMB)

14. YOFC International (Malaysia) Sdn. Bhd.

Registered Address: Malaysia

Registered Capital: MYR5 million

Scope of Business: Import and export of optical fibers, optical cables and related products and engineering trade

Date of Incorporation: February 2023

Shareholding Structure: 100% owned by YOFC International (Singapore) Pte. Ltd.

Key Financial Position: As of December 31, 2023, YOFC International (Malaysia) Sdn. Bhd. had total assets of RMB7.6076 million, total liabilities of RMB0.2543 million, net assets of RMB7.3533 million, current liabilities of RMB0.2543 million, non-current liabilities of RMB0; operating income of RMB0 and net loss of RMB0.3513 million for the year 2023. (The above information has not been audited and was converted into RMB)

On March 28, 2024, the Proposal on the 2024 Asset Pool Business of the Company and its Subsidiaries was considered and approved at the 4th meeting of the fourth session of the Board of Directors held by the Company, pursuant to which the Company and its subsidiaries are allowed to conduct asset pool business with creditworthy commercial banks in China based on actual business development and financing needs, provided that the total current balance of the asset pool shall not be more than RMB800 million.

I. OVERVIEW OF ASSET POOL BUSINESS

1. Business Overview

Asset pool business refers to correspondent financial institutions setting up an asset pool for the Company and the subsidiaries to meet their needs for unified management and coordinated use of financial assets held by them, which is an integrated asset management service system offering a wide range of functions to the Group, including allocation and removal, as well as pledge financing of financial assets.

2. Business Entities Implemented

The Company and the subsidiaries in its consolidated statements.

3. Asset Categories

The pool of assets will include only financial assets such as certificates of deposit, acceptance bills, letters of credit and investment products, etc.

4. Cooperating Financial Institutions

The financial institutions with which the Company proposes to conduct asset 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 asset pool service capabilities of the commercial banks, determined by the Company's management authorised in the general meeting of the Company.

5. Term of Business

The operating term for the above asset pool business shall take effect upon approval at the general meeting and the date of relevant agreements to June 30, 2025.

6. Quota

The Group will share an asset pool quota of no more than RMB800 million, which means that the total current balance of pledged certificates of deposit, acceptance bills, letters of credit and investment products used to carry out asset pool business with all cooperating banks shall not exceed RMB800 million. Such quota can be used on a revolving basis during the term of business.

7. Types of Collateral

Under the premise of controllable risk, the Group can adopt various guarantee methods for the establishment and use of asset pool, such as certificate of deposit pledge, bill pledge, letter of credit pledge and margin pledge. The maximum guarantee amount of the asset pool shall not exceed RMB800 million.

II. PURPOSE OF ASSET POOL BUSINESS

By carrying out the asset pool business, the Group can deposit the financial assets such as certificates of deposit, acceptance bills, letters of credit and investment products received in the cooperating financial institutions for centralized management, while retaining the same form and ratio of financial asset allocation, effectively revitalizing and improving the utilisation rate of occupation of corporate economic resources by certain financial assets, as well as achieving balanced management of returns, risks and liquidity.

III. RISKS OF ASSET POOL BUSINESS AND RISK CONTROL

To carry out the asset pool business, the Group needs to open a special margin account for the asset 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 asset 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.

Within the above quota and term of the asset 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 THE BOARD OF SUPERVISORS

The Board of Supervisors is of the view that the asset 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 Company carries out the Group's asset pooling business.

Details of the proposed amendments to the Articles of Association are set out below:

No.	Existing article	Proposed amendment
1	<p>Article 7 Upon approval at the General Meeting by way of special resolution and approval by the relevant authorities in the PRC, the Articles of Association came into effect from the date on which the A Shares were listed and traded on the PRC domestic stock exchange and replaced the original articles of association of the Company registered and filed with the industry and commerce administration authorities.</p> <p>.....</p>	<p>Article 7 Upon approval at the General Meeting by way of special resolution, the Articles of Association shall become effective upon registration with the market entity registration administrative authority. Upon the Articles of Association becoming effective, the original articles of association of the company shall be replaced by the Articles of Association.</p> <p>.....</p>
2	<p>Article 38</p> <p>.....</p> <p>The Company's Directors, Supervisors, and senior management members shall report to the Company their holdings of Shares and any change thereto; and they may not transfer, during each year of their term of office, more than 25% of the total number of Shares held by them in the Company, nor shall they transfer, within one year from the date when the Shares are listed and traded, those Shares held by them in the Company. The aforesaid persons are barred from transferring Shares held by them within six (6) months of cessation of their term of office. To the extent any H Shares are covered by the share transfer restrictions set out in this paragraph, approval shall be obtained from the Hong Kong Stock Exchange.</p>	<p>Article 38</p> <p>.....</p> <p>The Company's Directors, Supervisors, and senior management members shall report to the Company their holdings of Shares and any change thereto; and they may not transfer, during each year of their term of office, more than 25% of the total number of Shares held by them in the Company, nor shall they transfer, within one year from the date when the Shares are listed and traded, those Shares held by them in the Company. The aforesaid persons are barred from transferring Shares held by them within six (6) months of cessation of their term of office.</p>

No.	Existing article	Proposed amendment
3	<p>Article 39 If any of the Company’s Directors, Supervisors or senior management members or Shareholders holding 5% or more of the Company’s A Shares sells, within six months of purchase, or purchases, within six months of sale, their such holdings of A Shares, the resulting gain shall belong to the Company and shall be recovered by the Board of Directors, provided that such 6-month period restriction shall not apply to the sale of such shares by a securities firm holding 5% or more of such Shares as a result of its acquisition of unsold offered shares under a firm commitment underwriting arrangement.</p> <p>If the Board fails to implement the measures as set out in the foregoing paragraph, the Shareholder(s) shall be entitled to request the Board of Directors to so act within thirty (30) days. If the Board fails to act within the aforesaid period, the Shareholder(s) shall be entitled to bring a lawsuit before the people’s court in their own name in the interest of the Company.</p> <p>.....</p>	<p>Article 39 If any of the Company’s Directors, Supervisors or senior management members or Shareholders holding 5% or more of the Company’s A Shares sells, within six months of purchase, or purchases, within six months of sale, their such holdings of A Shares or other equity securities, the resulting gain shall belong to the Company and shall be recovered by the Board of Directors, provided that where the sale of such shares by a securities firm holding 5% or more of such Shares as a result of its acquisition of unsold offered shares under a firm commitment underwriting arrangement and other circumstances stipulated by the CSRC are excluded.</p> <p>The Shares or other equity securities held by any Director, Supervisor, senior management member or individual shareholder referred to in the foregoing paragraph include the shares or other equity securities held by their spouses, parents, and children, and any of the above which is indirectly held in others’ accounts.</p> <p>If the Board fails to implement the measures as set out in the first paragraph of this Article, the Shareholder(s) shall be entitled to request the Board of Directors to so act within thirty (30) days. If the Board fails to act within the aforesaid period, the Shareholder(s) shall be entitled to bring a lawsuit before the people’s court in their own name in the interest of the Company.</p> <p>.....</p>

No.	Existing article	Proposed amendment
4	<p>Article 43 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its original register of holders of Overseas Listed Foreign Shares outside the PRC and appoint overseas agent(s) to manage such register. Otherwise, the original register of holders of Overseas Listed Foreign Shares listed in Hong Kong shall be maintained in Hong Kong.</p> <p>The Company shall maintain a duplicate of the register of holders of Overseas Listed Foreign Shares at the Company's residence; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of Overseas Listed Foreign Shares at all times.</p> <p>If there is any inconsistency between the original and the duplicate of the register of holders of Overseas Listed Foreign Shares, the original version shall prevail.</p>	<p>Article 43 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its original register of holders of Overseas Listed Foreign Shares outside the PRC and appoint overseas agent(s) to manage such register. Otherwise, the original register of holders of Overseas Listed Foreign Shares listed in Hong Kong shall be maintained in Hong Kong.</p> <p>The Company shall maintain a duplicate of the register of holders of Overseas Listed Foreign Shares at the Company's residence; the appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of Overseas Listed Foreign Shares at all times.</p> <p>If there is any inconsistency between the original and the duplicate of the register of holders of Overseas Listed Foreign Shares, the original version shall prevail.</p> <p>The branch register of members in Hong Kong shall be open for inspection by members but the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance.</p>

No.	Existing article	Proposed amendment
5	<p>Article 67 General Meetings shall be divided into Annual General Meetings and extraordinary General Meetings. The Annual General Meeting shall be held once every year within six months after the end of the previous accounting year.</p> <p>.....</p> <p>(5) such a meeting is proposed by an independent Director with the consent of one half or more of all independent Directors;</p> <p>.....</p>	<p>Article 67 General Meetings shall be divided into Annual General Meetings and extraordinary General Meetings. The Annual General Meeting shall be held once every year within six months after the end of the previous accounting year.</p> <p>.....</p> <p>(5) such a meeting is proposed by an independent Director (which has the same meaning as “independent non-executive director”, same hereinafter) with the consent of a majority of all independent Directors;</p> <p>.....</p>
6	<p>Article 70 A twenty (20) days’ prior written notice for convening the Annual General Meeting and a fifteen (15) days’ prior written notice for convening the extraordinary General Meeting shall be given to notify Shareholders whose names appear in the register of Shareholders of the matters proposed to be considered and the date and place of the meeting.</p> <p>.....</p>	<p>Article 70 A twenty-one (21) days’ prior written notice for convening the Annual General Meeting and a fifteen (15) days’ prior written notice for convening the extraordinary General Meeting shall be given to notify Shareholders whose names appear in the register of Shareholders of the matters proposed to be considered and the date and place of the meeting.</p> <p>.....</p>

No.	Existing article	Proposed amendment
7	<p>Article 75 Where the General Meeting proposes to discuss the election of Directors and Supervisors, the notice of such meeting shall fully disclose the detailed information of the Director or Supervisor candidates, including at least the following:</p> <p>.....</p> <p>For the purpose of electing the Directors and Supervisors, each Director and Supervisor candidate shall be proposed by a separate proposal.</p>	<p>Article 75 Where the General Meeting proposes to discuss the election of Directors and Supervisors, the notice of such meeting shall fully disclose the detailed information of the Director or Supervisor candidates, including at least the following:</p> <p>.....</p> <p>Except for where the cumulative voting system is adopted to elect the Directors and Supervisors, each Director and Supervisor candidate shall be proposed by a separate proposal.</p>
8	<p>Article 80</p> <p>.....</p> <p>Any Shareholders entitled to attend and vote at a General Meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the Shareholders shall exercise the following rights:</p> <p>.....</p> <p>(3) have the right to vote by hands or on a poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.</p>	<p>Article 80</p> <p>.....</p> <p>Any Shareholders entitled to attend and vote at a General Meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as their proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the Shareholders shall exercise the following rights:</p> <p>.....</p> <p>(3) have the right to vote by hands or on a poll, unless otherwise required by the applicable securities listing rules or other securities laws and regulations. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.</p>

No.	Existing article	Proposed amendment
	<p>Where such Shareholder is a Recognized Clearing House (or its nominee), such Shareholder is entitled to appoint company representative(s) or one or more persons as it deems fit to act on its behalf at any General Meetings or any other Class Shareholders' General Meetings or any creditors' meetings; where not less than one person is authorized, the letter of authorization shall specify the number and class of Shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognized Clearing House. Such persons so authorized shall be entitled to attend the General meeting (which are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) to exercise their rights (including but not limited to the rights to speak and vote) on behalf of the Recognized Clearing House (or its nominee) as if they were individual Shareholders.</p>	<p>Shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any General Meeting and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorized officer.</p> <p>Where such Shareholder is a Recognized Clearing House (or its nominee), such Shareholder is entitled to appoint company representative(s) or one or more persons as it deems fit to act on its behalf at any General Meetings or any other Class Shareholders' General Meetings or any creditors' meetings; where not less than one person is authorized, the letter of authorization shall specify the number and class of Shares involving each person so authorized. The authorization documents should be signed by the authorized officer of the Recognized Clearing House. Such persons so authorized shall be entitled to attend the General meeting (which are not required to provide ownership documents, the notarized power of attorney and/or further evidence of his duly authorization) to exercise their rights (including but not limited to the rights to speak and vote) on behalf of the Recognized Clearing House (or its nominee) as if they were individual Shareholders and have equal legal rights as other Shareholders', including the right to speak and to vote.</p>

No.	Existing article	Proposed amendment
9	<p>Article 94</p> <p>.....</p> <p>An ordinary resolution of a General Meeting shall be approved by not less than half of the voting rights represented by the Shareholders (including proxies) present at the meeting.</p> <p>.....</p>	<p>Article 94</p> <p>.....</p> <p>An ordinary resolution of a General Meeting shall be approved by more than half of the voting rights represented by the Shareholders (including proxies) present at the meeting.</p> <p>.....</p>
10	<p>Article 95 Shareholders (including proxies) shall exercise their voting rights at a General Meeting according to the number of voting Shares they represent, with one vote for each Share.</p> <p>.....</p>	<p>Article 95 Shareholders shall have the right to (1) speak at the General Meeting and (2) vote at the General Meeting, unless individual Shareholders are required by the Hong Kong Listing Rules to waive their voting rights on individual matters. Shareholders (including proxies) shall exercise their voting rights at a General Meeting according to the number of voting Shares they represent, with one vote for each Share.</p> <p>.....</p> <p>If a Shareholder purchases the voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months of the purchase, and they shall not be included in the total number of shares carrying voting rights at the General Meetings.</p>

No.	Existing article	Proposed amendment
	<p>The Board, independent Directors and Shareholders satisfying relevant stipulated conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation. The soliciting person shall conduct public proxy solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the Shares are listed.</p>	<p>The Board, independent Directors, Shareholders holding more than one percent of the voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may act as a soliciting person, either on their own or by entrusting a securities company or a securities service institution, openly request Shareholders of the Company to appoint them to attend the General Meeting on their behalf and to exercise the right to make proposals, the right to vote and other Shareholders' rights on their behalf. Where Shareholders' rights are solicited in accordance with the preceding paragraph, the soliciting person shall disclose the solicitation documents and the Company shall cooperate. Publicly soliciting Shareholders' rights on a fee basis or on a disguised fee basis shall be prohibited. Except for statutory conditions, the Company shall impose no minimum shareholding restriction for voting rights solicitation. The soliciting person shall conduct public Shareholders' rights solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the Shares are listed.</p>

No.	Existing article	Proposed amendment
11	<p>Article 100</p> <p>.....</p> <p>When voting on the election of Directors and Supervisors, the General Meeting may apply the cumulative voting method in accordance with the Articles of Association or the resolution of the General Meeting. If the Controlling Shareholder holds 30% or more of the Shares, and if the General Meeting is to vote on the election of two or more Directors or non-employee representative Supervisors, then the cumulative voting method shall necessarily apply.</p> <p>For the purpose of the preceding paragraph, the term “cumulative voting method” shall refer to the scheme whereby in the election by the General Meeting of the Directors and Supervisors, each Share shall be granted the same number of votes as the number of Directors or Supervisors to be elected and each Shareholder may cast the votes held by him in a concentrated manner. The Board shall inform the Shareholders of the biographies and basic information of the Director and Supervisor candidates through the public announcement.</p>	<p>Article 100</p> <p>.....</p> <p>When voting on the election of Directors and Supervisors, the General Meeting may apply the cumulative voting method in accordance with the Articles of Association or the resolution of the General Meeting. If a single Shareholder of the Company and its parties acting in concert are interested in 30% or more of the Shares, and if the General Meeting is to vote on the election of two or more Directors or non-employee representative Supervisors, then the cumulative voting method shall necessarily apply.</p> <p>If the General Meeting elects two or more independent Directors, a cumulative voting system shall be implemented. The votes of small and medium Shareholders shall be counted and disclosed separately. If a Director is elected by cumulative voting at a General Meeting, the voting of independent Directors and non-independent Directors shall be carried out separately.</p> <p>For the purpose of the preceding paragraph, the term “cumulative voting method” shall refer to the scheme whereby in the election by the General Meeting of the Directors and Supervisors, each Share shall be granted the same number of votes as the number of Directors or Supervisors to be elected and each Shareholder may cast the votes held by him in a concentrated manner. The Board shall inform the Shareholders of the biographies and basic information of the Director and Supervisor candidates through the public announcement.</p>

No.	Existing article	Proposed amendment
		<p>The following principles shall be implemented for the cumulative voting system adopted at the Company's General Meetings:</p> <p>(1) Where cumulative voting system is adopted, each of the shares held by a Shareholder shall carry the same number of votes as the number of Directors or Supervisors to be elected;</p> <p>(2) In casting his votes for the Director or Supervisor candidates at a General Meeting, a Shareholder may exercise his voting rights by spreading votes evenly and cast for each of the candidates the number of votes corresponding to the number of shares he holds; or he may focus his votes on one candidate and cast for a particular candidate the total number of votes carried by all of his shares while the number of voting rights carried by each of his shares is the same as the number of Directors or Supervisors to be elected; or he may spread his votes over several candidates and cast for each of them part of the total number of votes carried by the shares he holds while the number of voting rights carried by each of his shares is the same as the number of Directors or Supervisors to be elected;</p> <p>(3) Upon the exercise of his voting rights by focusing his votes on one or several of the candidates while the number of voting rights carried by each of his shares is the same as the number of Directors or Supervisors to be elected, a Shareholder shall not have any right to vote for any other candidates;</p>

No.	Existing article	Proposed amendment
		<p>(4) Where the total number of votes cast by a Shareholder for one or several of the candidates is in excess of the number of votes carried by the total number of shares held by him, the votes cast by the Shareholder shall be invalid, and the Shareholder shall be deemed to have waived his voting rights. Where the total number of votes cast for one or several candidates by a Shareholder is less than the number of votes carried by the total number of shares held by such a Shareholder, the votes cast by the Shareholder shall be valid, and the voting rights attached to the shortfall between the votes actually cast and the votes which the Shareholder is entitled to cast shall be deemed to have been waived by the Shareholder;</p> <p>(5) Where votes in favor of Director or Supervisor candidates exceeds a half of the total number of shares carrying voting rights held by Shareholders attending the General Meeting (subject to the number of shares not accumulated), such Director or Supervisor shall be an elected Director or Supervisor candidate. If the number of elected Director or Supervisor candidates is greater than the number of Directors or Supervisors to be appointed, those who win more votes in favor of them shall be appointed as Directors or Supervisors (in case of an equality in the votes among those elected candidates who win the least votes and the appointment of them will be beyond the number of the Directors or Supervisors to be appointed, such elected candidates shall be deemed to be not elected). Where the number of elected Director or Supervisor candidates is less than the number of Directors or Supervisors to be appointed, a new round of voting on the selection of Directors or Supervisors shall be conducted among the rest Director or Supervisor candidates till all Directors or Supervisors are elected and appointed;</p>

No.	Existing article	Proposed amendment
		(6) Where a new round of voting is carried out according to the provisions of paragraph (5) of this Article at the General Meeting, the number of votes casted by the Shareholders in the cumulative voting shall be re-counted according to the number of Directors or Supervisors to be elected in the new round of voting.
12	Article 102 The General Meeting shall vote on all the proposals one by one. If different proposals are put forward for the same matter, such proposals shall be voted on in the order according to the time they are being put forward. Unless the General Meeting is adjourned or is prevented from making resolutions due to force majeure or other extraordinary reasons, the General Meeting shall not delay in voting on, or fail to vote on any proposal.	Article 102 Except for the accumulative voting system, the General Meeting shall vote on all the proposals one by one. If different proposals are put forward for the same matter, such proposals shall be voted on in the order according to the time they are being put forward. Unless the General Meeting is adjourned or is prevented from making resolutions due to force majeure or other extraordinary reasons, the General Meeting shall not delay in voting on, or fail to vote on any proposal.
13	Article 107 The following matters shall be resolved by special resolutions at General Meetings: (3) the division, merger, dissolution, liquidation or change of corporate forms of the Company; 	Article 107 The following matters shall be resolved by special resolutions at General Meetings: (3) the division, spin-off , merger, dissolution, liquidation or change of corporate forms of the Company;
14	Article 108 When an extraordinary General Meeting or a Class Shareholders' General Meeting is requested to be convened by no less than one half of the independent Directors, by the Board of Supervisors, or by Shareholders individually or jointly holding 10% or more of the voting Shares in the share capital of the Company on one vote per share basis, the following procedures shall be applied: 	Article 108 When an extraordinary General Meeting or a Class Shareholders' General Meeting is requested to be convened by a majority of the independent Directors, by the Board of Supervisors, or by Shareholders individually or jointly holding 10% or more of the voting Shares in the share capital of the Company on one vote per share basis, the following procedures shall be applied:

No.	Existing article	Proposed amendment
	<p>(5) If the Board disapproves the proposal of convening an extraordinary General Meeting or a Class Shareholders' General Meeting or fails to provide feedbacks within ten (10) days from receipt thereof, and if such proposal was made by Shareholders, then such Shareholders shall be entitled to propose to the Board of Supervisors in writing for the purpose of convening an extraordinary General Meeting or a Class Shareholders' General Meeting. If the Board of Supervisors approves the convening of an extraordinary General Meeting or a Class Shareholders' General Meeting, it shall issue a notice thereof within five (5) days of receipt of said request, provided that any changes made in such notice to the original proposal shall be subject to prior consent from its initiator. If no notice is issued by the Board of Supervisors of such extraordinary General Meeting or Class Shareholders' General Meeting within the stipulated period, the Board of Supervisors shall be deemed to have failed to convene and chair the extraordinary General Meeting or Class Shareholders' General Meeting, in which case the Shareholder(s) individually or jointly holding 10% or more of the voting Shares in the share capital of the Company for more than consecutive ninety (90) days on one vote per share basis may convene and chair such meeting on their own, and the procedures for convening such meeting should follow those provided for convening a General Meeting by the Board as closely as practicable. The convening Shareholders shall hold no less than 10% of Shares until the announcement of the meeting resolutions and shall supply relevant supporting materials to the local CSRC of the Company and the stock exchange(s) both at the time of their issue of the notice of the extraordinary General Meeting or Class Shareholders' General Meeting and at the time of their announcement of the meeting resolutions.</p>	<p>(5) If the Board disapproves the proposal of convening an extraordinary General Meeting or a Class Shareholders' General Meeting or fails to provide feedbacks within ten (10) days from receipt thereof, and if such proposal was made by Shareholders, then such Shareholders shall be entitled to propose to the Board of Supervisors in writing for the purpose of convening an extraordinary General Meeting or a Class Shareholders' General Meeting. If the Board of Supervisors approves the convening of an extraordinary General Meeting or a Class Shareholders' General Meeting, it shall issue a notice thereof within five (5) days of receipt of said request, provided that any changes made in such notice to the original proposal shall be subject to prior consent from its initiator. If no notice is issued by the Board of Supervisors of such extraordinary General Meeting or Class Shareholders' General Meeting within the stipulated period, the Board of Supervisors shall be deemed to have failed to convene and chair the extraordinary General Meeting or Class Shareholders' General Meeting, in which case the Shareholder(s) individually or jointly holding 10% or more of the voting Shares in the share capital of the Company for more than consecutive ninety (90) days on one vote per share basis may convene and chair such meeting on their own, and the procedures for convening such meeting should follow those provided for convening a General Meeting by the Board as closely as practicable. The convening Shareholders shall hold no less than 10% of Shares until the announcement of the meeting resolutions and shall supply relevant supporting materials to the stock exchange(s) at the time of their issue of the notice of the extraordinary General Meeting or Class Shareholders' General Meeting and at the time of their announcement of the meeting resolutions.</p>

No.	Existing article	Proposed amendment
	<p>In the event that Shareholders or the Board of Supervisors convenes a meeting by themselves pursuant to the foregoing paragraph, they shall notify the Board in writing and lodge a filing with the local CSRC of the Company and the stock exchange(s). The Board and the Secretary to the Board shall cooperate with regard to such meeting and the Board shall provide the register of members as of the record day. All reasonable expenses incurred in respect of the meeting shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty.</p>	<p>In the event that Shareholders or the Board of Supervisors convenes a meeting by themselves pursuant to the foregoing paragraph, they shall notify the Board in writing and lodge a filing with the stock exchange(s). The Board and the Secretary to the Board shall cooperate with regard to such meeting and the Board shall provide the register of members as of the record day. All reasonable expenses incurred in respect of the meeting shall be borne by the Company, by deducting from such sums owed by the Company to the Director who is in breach of his duty.</p>
15	<p>Article 127 Directors shall be elected at the General Meeting. The term of office of the Directors shall be three (3) years. Prior to the expiration of their terms of office, Directors may be dismissed from office by the General Meeting. Upon expiration of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment.</p> <p>.....</p>	<p>Article 127 Directors shall be elected at the General Meeting. The term of office of the Directors shall be three (3) years. Prior to the expiration of their terms of office, Directors may be dismissed from office by the General Meeting, provided that such dismissal shall not affect such Directors' claim for damages under any contract. Upon expiration of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment.</p> <p>.....</p>

No.	Existing article	Proposed amendment
16	<p>Article 129 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board will disclose relevant information in accordance the requirements of the stock exchanges on which the Company's Shares are listed.</p> <p>If the number of Directors falls below the statutory limit when a Director resigns, then the incumbent Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and takes office. The notice of resignation of the resigning Director will only become effective until such new Director is appointed to fill the vacancy. The remaining members of the Board should convene an extraordinary General Meeting to elect a new Director to fill the vacancy as soon as possible.</p>	<p>Article 129 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board will disclose relevant information in accordance the requirements of the stock exchanges on which the Company's Shares are listed.</p> <p>If the number of Directors falls below the statutory limit when a Director resigns, then the incumbent Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and takes office. The notice of resignation of the resigning Director will only become effective until such new Director is appointed to fill the vacancy. The remaining members of the Board should convene an extraordinary General Meeting to elect a new Director to fill the vacancy as soon as possible.</p> <p>Except for disqualification for directorship or loss of independence, if an independent Director resigns for other reasons and causes the proportion of independent Directors on the Board of the Company or its special committees to fail to comply with the provisions of the laws and regulations or the Articles of Association, or if there is a shortage of accounting professionals among the independent Directors, the resignation of such independent Director shall take effect after the vacancy of the independent Director is filled.</p>

No.	Existing article	Proposed amendment
	<p>Save for the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the Board. Subject to relevant laws, regulations and regulatory rules of the place where the Company is listed, if the Board appoints a new Director to fill a casual vacancy or to increase the number of members of the Board, such appointed Director shall hold office only until the first annual General Meeting after his appointment and shall be then eligible for re-election.</p>	<p>Save for the circumstances referred to in the second and third paragraphs of this Article, the resignation of a Director becomes effective upon submission of his/her resignation report to the Board. Subject to relevant laws, regulations and regulatory rules of the place where the Company is listed, if the Board appoints a new Director to fill a casual vacancy or to increase the number of members of the Board, such appointed Director shall hold office only until the first annual General Meeting after his appointment and shall be then eligible for re-election.</p>
17	<p>Article 134 The Company shall establish an independent director system. Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments.</p>	<p>Article 134 The Company shall establish an independent director system. Independent Directors are Directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders and the Actual Controller any direct or indirect interest or other relationship that may possibly impact their independent and objective judgments. An independent Director shall perform his/her duties independently, and shall not be affected by the Company and its substantial Shareholders, the Actual Controller and any other unit or individual.</p>

No.	Existing article	Proposed amendment
	<p>An independent Director shall serve a term of office of three years and is eligible for reelection but shall not serve for more than six (6) years in aggregate, except required by relevant laws, regulations and the listing rules of the stock exchange with which the Company is listed.</p> <p>The qualifications, nomination, resignation and other matters related to an independent Director are subject to relevant requirements prescribed by laws, administrative regulations, and departmental rules.</p>	<p>An independent Director shall serve a term of office of three years and is eligible for reelection but shall not serve for more than six (6) consecutive years, except required by relevant laws, regulations and the listing rules of the stock exchange with which the Company is listed.</p> <p>The qualifications, appointment, removal, duties and performance and other matters related to an independent Director are subject to relevant requirements prescribed by laws, administrative regulations, and departmental rules.</p>
18	<p>Article 141</p> <p>.....</p> <p>In the event of any one of the following circumstances, the Chairman shall convene extraordinary Board meetings within ten (10) days after a proposal is received:</p> <p>.....</p> <p>(5) when proposed by not less than one half of the independent non-executive Directors;</p> <p>.....</p>	<p>Article 141</p> <p>.....</p> <p>In the event of any one of the following circumstances, the Chairman shall convene extraordinary Board meetings within ten (10) days after a proposal is received:</p> <p>.....</p> <p>(5) When proposed by the independent non-executive Directors and agreed by a majority of all independent non-executive Directors;</p> <p>.....</p>

No.	Existing article	Proposed amendment
19	<p>Article 145 Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorise other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of the proxy, entrusted matter, scope of authorization and its term of validity and shall be signed or sealed by the appointer.</p> <p>The Board of Directors may conduct meetings by means of meetings in person, teleconference, videoconference or any other means allowing for communication in real time among the directors.</p> <p>.....</p>	<p>Article 145 Directors shall attend a meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they may authorize other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of the proxy, entrusted matter, scope of authorization and its term of validity and shall be signed or sealed by the appointer. An independent Director may not delegate a non-independent Director to attend the meeting.</p> <p>The Board of Directors shall hold meetings on-site as a matter of principle, and on the premise of ensuring that all participating Directors are able to fully communicate and express their opinions, and may conduct meetings by means of teleconference, videoconference or any other means allowing for communication in real time among the directors, if necessary.</p> <p>.....</p>

No.	Existing article	Proposed amendment
20	<p>Article 149 The Board should set up the audit committee, nomination committee and remuneration committee, and in light of its needs, a strategy committee and relevant special committees. The special committees shall be responsible to the Board and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board. Proposals shall be submitted to the Board for consideration and approval. All members of the special committees shall be Directors, of which the audit committee shall consist of non-executive Directors. Independent Directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The chairman of the audit committee shall be an accounting professional. The Board shall be responsible in formulating the rules of procedures of the special committees to regulate their operation.</p>	<p>Article 149 The Board should set up the audit committee, nomination committee and remuneration committee, and in light of its needs, a strategy committee and relevant special committees. The special committees shall be responsible to the Board and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board. Proposals shall be submitted to the Board for consideration and approval. All members of the special committees shall be Directors, of which the audit committee shall consist of Directors who do not hold senior management positions in the Company. Independent Directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The chairman of the audit committee shall be an accounting professional among independent Directors. The Board shall be responsible in formulating the rules of procedures of the special committees to regulate their operation.</p>

No.	Existing article	Proposed amendment
21	<p>Article 151 The Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:</p> <p>.....</p> <p>(8) to help Directors, Supervisors, the president and other senior management members learn about information disclosure related laws, regulations, rules, listing rules and other rules of the stock exchange, and the Articles of Association, and the provisions in the listing agreements concerning their legal liabilities;</p> <p>.....</p> <p>(10) to fulfill other duties specified in the applicable laws, regulations, rules, listing rules of the stock exchange and other requirements, and the Articles of Association.</p>	<p>Article 151 The Secretary to the Board shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:</p> <p>.....</p> <p>(8) to help Directors, Supervisors, the president and other senior management members learn about information disclosure related laws, regulations, rules, listing rules and other rules of the stock exchange, and the Articles of Association concerning their legal liabilities;</p> <p>.....</p> <p>(10) to fulfill other duties specified in the applicable laws, regulations, rules, listing rules of the stock exchange and other requirements, and the Articles of Association.</p>
22	<p>Article 202 The Company's profit distribution policy shall be as follows:</p> <p>(1) the Company will implement a sustained, stable, scientific, and proactive profit distribution policy, will attach importance to offering reasonable investment returns to its Shareholders, and will maintain the continuity and stability of its profit distribution policy. Subject to the then current laws, regulations and regulatory requirements, each year, the Company will make profit distributions in cash in an amount no less than 10% of the distributable profits realized that year.</p> <p>.....</p>	<p>Article 202 The Company's profit distribution policy shall be as follows:</p> <p>(1) the Company will implement a sustained, stable, scientific, and proactive profit distribution policy, will attach importance to offering reasonable investment returns to its Shareholders, and will maintain the continuity and stability of its profit distribution policy. Subject to the then current laws, regulations and regulatory requirements, each year, the Company will make profit distributions in cash in an amount no less than 10% of the distributable profits realized that year.</p> <p>.....</p>

No.	Existing article	Proposed amendment
	<p>(5) the Board shall be responsible for preparing the profit distribution plan. Such plan, if considered and adopted by the Board, shall then be submitted to the General Meeting for consideration and may be implemented only if it is so approved in General Meeting. When preparing the dividend distribution plan, the Board shall listen to the opinions of relevant parties, in particular, those of independent Directors and small and medium Shareholders. Independent Directors shall issue a clear opinion on the profit distribution plan; and the Board of Supervisors shall supervise the formulation of the distribution plan by the Board.</p>	<p>(5) the Board shall be responsible for preparing the profit distribution plan. Unless otherwise stipulated in laws and regulations and the Articles of Association, such plan, if considered and adopted by the Board, shall then be submitted to the General Meeting for consideration and may be implemented only if it is so approved in General Meeting. When preparing the dividend distribution plan, the Board shall listen to the opinions of relevant parties, in particular, those of independent Directors and small and medium Shareholders. The Board of Supervisors shall supervise the formulation of the distribution plan by the Board.</p> <p>(6) the independent Directors shall be entitled to express their independent opinions if they consider that the specific plan for cash dividends may harm the interests of the listed company or the small and medium Shareholders. If the Board fails to adopt the opinion of the independent Directors or fails to adopt it in full, it shall record the opinion of the independent Directors and the specific reasons for not adopting it in the resolution of the Board and disclose the same.</p>

No.	Existing article	Proposed amendment
	<p>(6) if the Company has been profitable in the relevant year and has distributable profits, but the Board has not formulated a cash dividend distribution plan or has prepared a cash profit distribution plan that does not conform to the Articles of Association, the Company shall provide a detailed disclosure of the relevant reasons in its periodic reports. The independent Directors shall express an independent opinion on the same.</p> <p>(7) in the course of formulating a detailed cash dividend distribution plan for the Company, the Board shall carefully evaluate and study the arguments for or against, the timing, conditions, minimum percentage, conditions for adjustment as well as other matters mandated by certain decision-making procedures. Independent Directors may solicit opinions from small and medium Shareholders, put forward a proposal on profit distribution and directly submit such proposal to the Board for consideration. Before deliberation on the specific profit distribution plan by the General Meeting, numerous channels (including but not limited to the activation of hotlines, the mail box of the secretary to the Board and inviting small and medium investors to attend the General Meeting) should be utilized to proactively communicate and interact with Shareholders, especially small and medium Shareholders; adequately listen to their views and opinions, and promptly respond to their issues of concern.</p>	<p>(7) if the Company has been profitable in the relevant year and has distributable profits, but the Board has not formulated a cash dividend distribution plan or has prepared a cash profit distribution plan that does not conform to the Articles of Association, the Company shall provide a detailed disclosure in its periodic reports.</p> <p>(8) in the course of formulating a detailed cash dividend distribution plan for the Company, the Board shall carefully evaluate and study the arguments for or against, the timing, conditions, minimum percentage, conditions for adjustment as well as other matters mandated by certain decision-making procedures. Before deliberation on the specific profit distribution plan by the General Meeting, numerous channels (including but not limited to the activation of hotlines, the mail box of the secretary to the Board and inviting small and medium investors to attend the General Meeting) should be utilized to proactively communicate and interact with Shareholders, especially small and medium Shareholders; adequately listen to their views and opinions, and promptly respond to their issues of concern.</p>

No.	Existing article	Proposed amendment
	<p>(8) the Company shall strictly implement the cash dividend distribution policy prescribed by the Articles of Association and the detailed cash dividend distribution plan approved by the General Meeting. If major changes in the external operating environment or in the Company's operating conditions results in the need for adjustment of the profit distribution policy, the Board shall re-formulate the profit distribution policy and the independent Directors and external Supervisors shall express their opinion on the same. Such new profit distribution policy formulated by the Board shall be submitted to the General Meeting for consideration and may be carried out only when it is approved by an affirmative vote representing at least two-thirds of the voting rights held by the Shareholders present at the meeting.</p>	<p>(9) when the Company convenes the Annual General Meeting to consider the annual profit distribution plan, it may consider and approve the conditions, the upper limit of the ratio, the maximum amount of the cash dividend, etc., for the next interim period. The maximum amount of the next interim dividend to be considered at the Annual General Meeting shall not exceed the net profit attributable to Shareholders of the listed company for the corresponding period. The Board shall formulate a specific interim dividend distribution plan in accordance with the resolution of the General Meeting subject to the conditions for profit distribution. The Company shall strictly implement the cash dividend distribution policy prescribed by the Articles of Association and the detailed cash dividend distribution plan approved by the General Meeting. If major changes in the external operating environment or in the Company's operating conditions results in the need for adjustment of the profit distribution policy, the Board shall re-formulate the profit distribution policy. Such new profit distribution policy formulated by the Board shall be submitted to the General Meeting for consideration and may be carried out only when it is approved by an affirmative vote representing at least two-thirds of the voting rights held by the Shareholders present at the meeting.</p>

No.	Existing article	Proposed amendment
	Where the profit distribution and capital reserve capitalization plans have been adopted by the resolutions of the General Meeting, the Board shall implement the detailed plans within two (2) months from the date of the General Meeting.	Where the General Meeting has adopted a resolution on cash dividend, bonus issue or capitalization of the capital reserve funds, the Company will implement the specific scheme within two (2) months from the conclusion of the General Meeting. Where the profit distribution and capital reserve capitalization plans have been adopted by the resolutions of the General Meeting or the Board of the Company formulates a specific plan based on the conditions and upper limits for the next interim dividend approved by the Annual General Meeting, the dividend (or share) distribution shall be completed within two (2) months.
23	Article 210 Before the convening of the General Meeting, the Board may fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.	Deleted

No.	Existing article	Proposed amendment
24	<p>Article 234 As specified in the preceding provision, corporate communications shall be provided and/or delivered to Shareholders in writing. However, for the ways of provision and/or delivery of corporate communications to Shareholders by the Company under the requirements of the Hong Kong Listing Rules, the Company may, upon obtaining the prior written consent of Shareholders, deliver or provide corporate communications to the Shareholders of the Company by electronic means or by publication of such information on the website of the Company, subject to the requirements of relevant laws and regulations as well as the Hong Kong Listing Rules as amended from time to time. Corporate communications include but are not limited to, among others, circulars, annual reports, interim reports, quarterly reports, notices of General Meetings and other types of corporate communications as set out in the Hong Kong Listing Rules.</p>	<p>Article 233 As specified in the preceding provision, corporate communications shall be provided and/or delivered to Shareholders in writing. However, for the ways of provision and/or delivery of corporate communications to Shareholders by the Company under the requirements of the Hong Kong Listing Rules, the Company may, upon obtaining the prior written consent or deemed consent of Shareholders, deliver or provide corporate communications to the Shareholders of the Company by electronic means or by publication of such information on the website of the Company, subject to the requirements of relevant laws and regulations as well as the Hong Kong Listing Rules as amended from time to time. Corporate communications include but are not limited to, among others, circulars, annual reports, interim reports, quarterly reports, notices of General Meetings and other types of corporate communications as set out in the Hong Kong Listing Rules.</p>

Details of the proposed amendments to the Procedural Rules for the General Meeting are set out below:

No.	Existing article	Proposed amendment
1	<p>Article 11 The board of directors shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:</p> <p>.....</p> <p>(5) it is proposed by an independent director with the consent of one half or more of all independent directors;</p> <p>.....</p>	<p>Article 11 The board of directors shall convene an extraordinary general meeting within two months upon the occurrence of one of the following circumstances:</p> <p>.....</p> <p>(5) it is proposed by an independent director with the consent of a majority of all independent directors;</p> <p>.....</p>
2	<p>Article 15 The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law.</p> <p>.....</p> <p>(17) to consider any share incentive scheme;</p> <p>.....</p> <p>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.</p>	<p>Article 15 The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law.</p> <p>.....</p> <p>(17) to consider any share incentive scheme and employee stock ownership plan;</p> <p>.....</p> <p>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 shares of the Company will not be contravened.</p>

No.	Existing article	Proposed amendment
3	<p>Article 20 If an independent director proposes to convene a general meeting with consent of at least half of all the independent directors, such independent director shall be responsible for putting forward proposals.</p>	<p>Article 20 If an independent director proposes to convene a general meeting with consent of a majority of all the independent directors, such independent director shall be responsible for putting forward proposals.</p>
4	<p>Article 28 Where the general meeting proposes to discuss the election of directors and supervisors, the notice of such meeting shall fully disclose the detailed information of the director or supervisor candidates, including at least the following:</p> <p>.....</p> <p>For the purpose of electing the directors and supervisors, each director and supervisor candidate shall be proposed by a separate proposal.</p>	<p>Article 28 Where the general meeting proposes to discuss the election of directors and supervisors, the notice of such meeting shall fully disclose the detailed information of the director or supervisor candidates, including at least the following:</p> <p>.....</p> <p>Except for where the cumulative voting system is adopted to elect the directors and supervisors, each director and supervisor candidate shall be proposed by a separate proposal.</p>
5	<p>Article 29 One half or more of the independent directors may sign one or more written requests of the same form demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting and stating the object of the meeting. The board of directors shall, within ten (10) days from the receipt of such aforesaid written requests, provide, in accordance with laws, regulations and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or class shareholders' general meeting.</p> <p>.....</p>	<p>Article 29 A majority of the independent directors may sign one or more written requests of the same form demanding that the board of directors convene an extraordinary general meeting or a class shareholders' general meeting and stating the object of the meeting. The board of directors shall, within ten (10) days from the receipt of such aforesaid written requests, provide, in accordance with laws, regulations and the Articles of Association, its feedback opinion in writing approving or disapproving the convening of the extraordinary general meeting or class shareholders' general meeting.</p> <p>.....</p>

No.	Existing article	Proposed amendment
6	<p data-bbox="323 304 507 331">Article 31</p> <p data-bbox="323 385 826 1932">If the board of supervisors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall issue a notice within five (5) days upon receipt of such request. Any change to any original proposal set out in the notice shall be subject to the consent of the relevant shareholders. If no notice is despatched by the board of supervisors of such extraordinary general meeting or class shareholders' general meeting within the stipulated period, the board of supervisors shall be deemed to have failed to convene and chair the extraordinary general meeting or class shareholders' general meeting, in which case 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 and chair such meeting by themselves, and the procedures for the convening of such meetings should follow those provided for the convening by the board of general meetings as closely as practicable. The convening shareholders shall hold no less than 10% of shares until the announcement of the meeting resolutions and the board of supervisors and the convening shareholders shall supply relevant supporting materials to the local CSRC of the Company and the stock exchange(s) both at the time of their despatch of the notice of the extraordinary general meeting or class shareholders' general meeting and at the time of their announcement of the meeting resolutions.</p>	<p data-bbox="853 304 1037 331">Article 31</p> <p data-bbox="853 385 1356 1534">If the board of supervisors approves the convening of an extraordinary general meeting or a class shareholders' general meeting, it shall issue a notice within five (5) days upon receipt of such request. Any change to any original proposal set out in the notice shall be subject to the consent of the relevant shareholders. If no notice is despatched by the board of supervisors of such extraordinary general meeting or class shareholders' general meeting within the stipulated period, the board of supervisors shall be deemed to have failed to convene and chair the extraordinary general meeting or class shareholders' general meeting, in which case 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 and chair such meeting by themselves, and the procedures for the convening of such meetings should follow those provided for the convening by the board of general meetings as closely as practicable. The convening shareholders shall hold no less than 10% of shares until the announcement of the meeting resolutions.</p>

No.	Existing article	Proposed amendment
7	<p>Article 32 If the board of supervisors or shareholders decide to convene the general meetings by themselves, they shall notify the board of directors in writing and lodge a filing with the local CSRC of the Company and the stock exchange(s).</p>	<p>Article 32 If the board of supervisors or shareholders decide to convene the general meetings by themselves, they shall notify the board of directors in writing and lodge a filing with the stock exchange(s). The board of supervisors or the convening shareholder shall submit relevant supporting materials to the stock exchange(s) when issuing the notice of the general meeting and publishing the announcement of the resolutions of the general meeting.</p>
8	<p>Article 48 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:</p> <p>.....</p> <p>(2) 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, the proposal shall be explained by the person putting forward the proposal or its legal representative or any lawful and valid Proxy.</p>	<p>Article 48 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:</p> <p>.....</p> <p>(2) 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, the proposal shall be explained by chairman of the board of supervisors, the person putting forward the proposal or its legal representative or any lawful and valid Proxy.</p>

No.	Existing article	Proposed amendment
9	<p>Article 55 When voting on the election of directors and supervisors, the general meeting may apply the cumulative voting method in accordance with the Articles of Association or the resolution of the general meeting. If the controlling shareholder holds 30% or more of the Shares, and if the general meeting is to vote on the election of two or more directors or non-employee representative supervisors, then the cumulative voting method shall apply.</p> <p>For the purpose of the preceding paragraph, the term “cumulative voting method” shall refer to the scheme whereby in the election by the general meeting of the directors and supervisors, each ordinary share shall be granted the same number of votes as the number of directors or supervisors to be elected and each shareholder may cast the votes held by him in a concentrated manner. The board of directors shall inform the shareholders of the biographies and basic information of the director and supervisor candidates through the announcement.</p>	<p>Article 55 When voting on the election of directors and supervisors, the general meeting may apply the cumulative voting method in accordance with the Articles of Association or the resolution of the general meeting. If the single shareholder and its parties acting in concert are interested in 30% or more of the shares, and if the general meeting is to vote on the election of two or more directors or non-employee representative supervisors, then the cumulative voting method shall apply.</p> <p>Where a general meeting elects two or more independent directors, a cumulative voting system shall be implemented. The votes of small and medium shareholders shall be counted and disclosed separately. If a director is elected by cumulative voting at a general meeting, the voting of independent directors and non-independent directors shall be carried out separately.</p> <p>For the purpose of the preceding paragraph, the term “cumulative voting method” shall refer to the scheme whereby in the election by the general meeting of the directors and supervisors, each ordinary share shall be granted the same number of votes as the number of directors or supervisors to be elected and each shareholder may cast the votes held by him in a concentrated manner. The board of directors shall inform the shareholders of the biographies and basic information of the director and supervisor candidates through the announcement.</p>

No.	Existing article	Proposed amendment
10	<p>Article 57 Resolutions of a general meeting shall be ordinary resolutions or special resolutions.</p> <p>(I) Ordinary resolutions</p> <p>1. Ordinary resolutions shall be passed by votes representing one-half or more of the voting rights held by the shareholders (including Proxies) present at the meeting.</p> <p>2. The following matters shall be resolved by ordinary resolutions at the general meetings:</p> <p>.....</p> <p>(II) Special resolutions</p> <p>.....</p> <p>2. The following matters shall be resolved by special resolutions at the general meetings:</p> <p>.....</p> <p>(3) division, merger, dissolution, liquidation or change of corporate form of the Company;</p> <p>.....</p>	<p>Article 57 Resolutions of a general meeting shall be ordinary resolutions or special resolutions.</p> <p>(I) Ordinary resolutions</p> <p>1. Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by the shareholders (including Proxies) present at the meeting.</p> <p>2. The following matters shall be resolved by ordinary resolutions at the general meetings:</p> <p>.....</p> <p>(II) Special resolutions</p> <p>.....</p> <p>2. The following matters shall be resolved by special resolutions at the general meetings:</p> <p>.....</p> <p>(3) division, spin-off, merger, dissolution, liquidation or change of corporate form of the Company;</p> <p>.....</p>

No.	Existing article	Proposed amendment
11	<p data-bbox="323 304 448 327">Article 61</p> <p data-bbox="323 385 371 406">.....</p> <p data-bbox="323 817 826 1427">The board of directors, independent directors and shareholders satisfying relevant stipulated conditions may conduct public proxy solicitation. Where such proxy solicitation is conducted, particulars on the voting intention and similar information shall be fully disclosed to the solicited persons. Proxy solicitation on a fee basis or on a disguised fee basis shall be prohibited. The Company shall impose no minimum shareholding restriction for proxy solicitation. The soliciting person shall conduct public proxy solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the shares of the Company are listed.</p>	<p data-bbox="852 304 976 327">Article 61</p> <p data-bbox="852 385 900 406">.....</p> <p data-bbox="852 442 1355 778">If a shareholder purchases the voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months of the purchase, and they shall not be included in the total number of shares carrying voting rights at the general meetings.</p> <p data-bbox="852 817 1355 1974">The board of directors, independent directors, shareholders holding more than one percent of the voting rights or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may act as a soliciting person, either on their own or by entrusting a securities company or a securities service institution, openly request shareholders of the Company to appoint them to attend the general meeting on their behalf and to exercise the right to make proposals, the right to vote and other shareholders' rights on their behalf. Where shareholders' rights are solicited in accordance with the preceding paragraph, the soliciting person shall disclose the solicitation documents and the Company shall cooperate. Publicly soliciting shareholders' rights on a fee basis or on a disguised fee basis shall be prohibited. Except for statutory conditions, the Company shall impose no minimum shareholding restriction for voting rights solicitation. The soliciting person shall conduct public shareholders' rights solicitation in compliance with the requirements of the relevant regulatory authorities and the stock exchange(s) on which the shares of the Company are listed.</p>

No.	Existing article	Proposed amendment
12	<p>Article 66 The minutes of the general meetings shall be prepared. 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 shall sign the minutes and ensure the truthfulness, accuracy and completeness of their content. The secretary of the board of directors shall be responsible for the meeting minutes and shall record the following contents:</p> <p>.....</p> <p>(2) names of the chairman of the meeting and of the directors, supervisors, president and other senior management members attending or observing the meeting;</p> <p>.....</p>	<p>Article 66 The minutes of the general meetings shall be prepared. 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 shall sign the minutes and ensure the truthfulness, accuracy and completeness of their content. The secretary of the board of directors shall be responsible for the meeting minutes and shall record the following contents:</p> <p>.....</p> <p>(2) names of the chairman of the meeting and of the directors, supervisors, president, the secretary of the board of directors and other senior management members attending or observing the meeting;</p> <p>.....</p>
13	<p>Article 76 These Rules shall be adopted by the general meeting by a special resolution. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are publicly offered and listed on a domestic stock exchange.</p>	<p>Article 76 These Rules shall come into force and take effect from the date on which they are passed at the general meeting by a special resolution.</p>

Details of the proposed amendments to the Procedural Rules for the Board of Directors are set out below:

No.	Existing article	Proposed amendment
1	<p>Article 9 The Board shall have one chairman and one vice-chairman.</p> <p>The Board should set up the audit committee, nomination committee and remuneration committee, and in light of its needs, a strategy committee and relevant special committees. The special committees shall be responsible to the Board and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board. Proposals shall be submitted to the Board for consideration and approval. All members of the special committees shall be directors, of which the audit committee shall consist of non-executive directors. Independent directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The chairman of the audit committee shall be an accounting professional. The Board shall be responsible for formulating the rules of procedures of the special committees to regulate their operation.</p>	<p>Article 9 The Board shall have one chairman and one vice-chairman.</p> <p>The Board should set up the audit committee, nomination committee and remuneration committee, and in light of its needs, a strategy committee and relevant special committees. The special committees shall be responsible to the Board and shall perform their duties as stipulated in the Articles of Association and as authorized by the Board. Proposals shall be submitted to the Board for consideration and approval. All members of the special committees shall be directors, of which the audit committee shall consist of directors who do not hold senior management positions in the Company. Independent directors shall account for the majority of members of the audit committee, the nomination committee and the remuneration committee, and shall serve as the chairmen. The chairman of the audit committee shall be an accounting professional among independent directors. The Board shall be responsible for formulating the rules of procedures of the special committees to regulate their operation.</p>

No.	Existing article	Proposed amendment
2	<p>Article 10</p> <p>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:</p> <p>.....</p> <p>(5) to attend the Board meetings and prepare and sign on the minutes of the meetings;</p> <p>.....</p> <p>(8) to assist the directors, supervisors, the president 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.</p> <p>.....</p>	<p>Article 10</p> <p>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:</p> <p>.....</p> <p>(5) to attend the general meetings, Board meetings, meetings of the board of supervisors and relevant meetings of senior management members, record and sign on minutes of the meetings of the Board;</p> <p>.....</p> <p>(8) to assist the directors, supervisors, the president 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, and to urge the directors, supervisors and senior management members to abide by laws, regulations, relevant provisions of the stock exchange(s) and the Articles of Association, and faithfully fulfill their commitments.</p> <p>.....</p>

No.	Existing article	Proposed amendment
3	<p>Article 14 Interim meetings</p> <p>.....</p> <p>(5) when proposed by not less than one half of the independent directors;</p> <p>.....</p>	<p>Article 14 Interim meetings</p> <p>.....</p> <p>(5) when proposed by the independent directors and agreed by a majority of all independent directors;</p> <p>.....</p>
4	<p>Article 16 Putting forward Proposals</p> <p>The proposals of the Board meetings shall be put forward in relation to the following:</p> <p>.....</p> <p>(3) proposals from the special committees of the Board;</p> <p>(4) matters proposed by the president;</p> <p>.....</p>	<p>Article 16 Putting forward Proposals</p> <p>The proposals of the Board meetings shall be put forward in relation to the following:</p> <p>.....</p> <p>(3) proposals from the special committees of the Board;</p> <p>(4) matters proposed by the president;</p> <p>.....</p>
5	<p>Article 21 Attendance of the Meetings</p> <p>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 the Articles of Association) are present.</p> <p>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.</p> <p>.....</p>	<p>Article 21 Attendance of the Meetings</p> <p>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 the Articles of Association) are present.</p> <p>.....</p>

No.	Existing article	Proposed amendment
	<p>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:</p> <p>.....</p> <p>(4) the execution by such director and the execution date; etc.</p> <p>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.</p> <p>.....</p>	<p>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:</p> <p>.....</p> <p>(4) the duration of the authorization;</p> <p>(5) the execution by such director and the execution date, etc.</p> <p>.....</p>

No.	Existing article	Proposed amendment
6	<p data-bbox="323 304 507 331">Article 24</p> <p data-bbox="323 374 823 612">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.</p> <p data-bbox="323 655 823 927">With respect to the proposal that shall be approved by independent directors in advance according to the regulations, the chairman of the meeting shall read out the written confirmation of independent Directors before discussion of relevant proposals.</p> <p data-bbox="323 970 823 1136">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.</p> <p data-bbox="323 1178 371 1206">.....</p> <p data-bbox="323 1249 823 1938">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 president 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.</p>	<p data-bbox="852 304 1035 331">Article 24</p> <p data-bbox="852 374 1351 612">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.</p> <p data-bbox="852 970 1351 1136">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.</p> <p data-bbox="852 1178 900 1206">.....</p> <p data-bbox="852 1249 1351 1938">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 president 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.</p>

No.	Existing article	Proposed amendment
7	<p>Article 25 The independent directors shall present independent opinions to the Board on the following matters:</p> <p>(1) nomination, appointment and removal of directors;</p> <p>(2) appointment and removal of senior management personnel;</p> <p>(3) remuneration of the directors and senior management personnel of the Company;</p> <p>(4) the matters that independent directors consider may damage the interests of small and medium shareholders;</p> <p>(5) material cash transactions (as may be defined under the listing rules of the stock exchange(s) where the shares of the Company are listed) between the Company and its shareholders or its affiliated companies;</p> <p>(6) the decision by the Board of not preparing a cash profit distribution plan;</p> <p>(7) other matters specified by applicable laws, listing rules, regulations or the Articles of Association.</p>	<p>Article 25 The following matters shall be submitted to the Board for consideration after being approved by a majority of all independent directors of the Company:</p> <p>(1) related party transactions that shall be disclosed;</p> <p>(2) the proposal of the Company and related parties to change or waive their commitments;</p> <p>(3) decisions made and measures taken by the Board in respect of the acquisition when it is acquired;</p> <p>(4) other matters as stipulated in the laws, administrative regulations and the Articles of Association.</p>
8	<p>Article 26 With respect to the foregoing matters the independent directors shall explicitly state their opinions as follows:</p> <p>(1) approval;</p> <p>(2) qualified opinion and reasons;</p> <p>(3) disapproval and reasons;</p> <p>(4) inability to give opinions and reasons.</p>	Deleted

No.	Existing article	Proposed amendment
9	Article 41 Upon the approval by the affirmative votes of more than two-thirds of all the 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. Provisions of these Rules pertaining to the domestic listing shall come into force from the date on which the shares of the Company are publicly offered and listed on the domestic stock exchange.	Article 40 Upon the approval by the affirmative votes of more than two-thirds of all the 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 and shall come into force and take effect from the date on which they are passed at the general meeting by a special resolution.

Details of the proposed amendments to the Working Rules for Independent Directors are set out below:

No.	Existing article	Proposed amendment
1	<p>Article 1 These working rules (hereinafter referred to as these “Rules”) are hereby formulated to further improve the corporate governance structure of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Company”), to ensure the operation of the Company be in compliance and to protect the legitimate rights and interests of the Company and the shareholders, especially the small and medium shareholders, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), “Measures for the Administration of Independent Directors of Listed Companies Guiding Opinions on Establishing an Independent Director System in Listed Companies”, the Standards of Corporate Governance of Listed Companies and other laws, regulations and normative documents, as well as the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Articles of Association”).</p>	<p>Article 1 These working rules (hereinafter referred to as these “Rules”) are hereby formulated to further improve the corporate governance structure of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Company”), to ensure the operation of the Company be in compliance and to protect the legitimate rights and interests of the Company and the shareholders, especially the small and medium shareholders, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Measures for the Administration of Independent Directors of Listed Companies, the Standards of Corporate Governance of Listed Companies and other laws, regulations and normative documents, as well as the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the “Articles of Association”).</p>
2	<p>Article 2 An independent director refers to a director who holds no post in the Company other than the office of director and has no interest in the Company and its major shareholders, or who may hinder their independent and objective judgments.</p>	<p>Article 2 An independent director refers to a director who holds no post in the Company other than the office of director and has no direct or indirect interests in the Company and its major shareholders and actual controllers (if any, the same below), or who may influence their independent and objective judgments.</p>

No.	Existing article	Proposed amendment
3	<p>Article 3 An independent director owes duties of integrity and diligence to the Company and all the shareholders. An independent director shall carefully perform his/her duty, protect the interest of the Company as a whole, and in particular, pay close attention to the legitimate rights and interests of small and medium shareholders and protect such rights and interests from any infringement, in accordance with the requirements of relevant laws, regulations, normative documents, and the Articles of Association, etc. An independent director shall perform his/her duty independently free from influence any substantial shareholder or the actual controller of the Company or any other entity or individual interested in the Company.</p>	<p>Article 3 An independent director owes duties of fiduciary and diligence to the Company and all the shareholders. An independent director shall carefully perform his/her duty, play the role of participation in decision-making, supervision and balance, and professional consultation in the Board, protect the interest of the Company as a whole, and in particular, pay close attention to the legitimate rights and interests of small and medium shareholders and protect such rights and interests from any infringement, in accordance with the requirements of relevant laws, regulations, normative documents, provisions of China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), the business rules of stock exchange(s) on which the Company’s shares are listed (hereinafter referred to as the “Stock Exchange(s))) and the Articles of Association, etc. An independent director shall perform his/her duty independently free from influence from the Company and any substantial shareholder or the actual controller of the Company or any other entity or individual interested in the Company.</p>
4	<p>Article 4 Generally, an independent director of the Company is allowed to concurrently serve as an independent director at up to 5 listed companies and companies intended to go listing (including the Company), and shall ensure that he/she has time and energy enough to perform the duty of an independent director in an efficient manner.</p>	<p>Article 4 Generally, an independent director of the Company is allowed to concurrently serve as an independent director at up to three listed domestic companies, and shall ensure that he/she has time and energy enough to perform the duty of an independent director in an efficient manner.</p>

No.	Existing article	Proposed amendment
5	<p>Article 5 The independent directors appointed by the Company shall include at least one accounting professional who has senior professional title or certified public accountant qualification.</p>	<p>Article 5 The Company must have at least three independent directors, the proportion of which shall not be less than one-third of the members of the Board, and the independent directors appointed by the Company shall include at least one accounting professional. In addition, at least one independent director must ordinarily reside in Hong Kong.</p> <p>The accounting professional in the preceding paragraph should have relatively rich professional accounting knowledge and experience, and satisfy at least one of the following conditions:</p> <ol style="list-style-type: none"> <li data-bbox="852 889 1359 991">(1) possessing the qualification to practice as a certified public accountant; <li data-bbox="852 1029 1359 1200">(2) having a senior professional title, associate professor title or doctoral degree in accounting, auditing or financial management; <li data-bbox="852 1238 1359 1476">(3) having a senior professional title in economic management, and having more than 5 years of full-time work experience in professional positions such as accounting, auditing or financial management. <p>More than half of the members of the audit committee of the Company shall be independent directors, and an accounting professional among the independent directors shall be the chairman (convener).</p> <p>More than half of the members of the nomination and remuneration committee of the Company shall be independent directors, and one of them shall be the chairman (convener).</p>

No.	Existing article	Proposed amendment
6	<p>Article 6 When an independent director does not meet the independence conditions or is unsuitable for performing his duties as an independent director, and as a result of which the number of independent directors of the Company does not meet the requirements of the laws, regulations, regulatory documents and these Articles, the Company shall comply make-up the number of independent directors in accordance with the requirements.</p>	Deleted
7	<p>Article 7 Anyone who serves as or is to be appointed as an independent director of the Company, shall attend the relevant training as required by the CSRC and the operation rules of the Stock Exchange(s), etc.</p>	<p>Article 6 Independent directors of the Company shall continue to strengthen their study of securities laws, regulations and rules, and continuously improve their ability to perform their duties.</p>
8	<p>Article 8 An independent director shall satisfy the following basic qualification requirements:</p> <ol style="list-style-type: none"> (1) he/she shall be qualified to serve as a director of the Company in accordance with relevant requirements of laws, regulations, normative documents and the Articles of Association; (2) he/she shall be independent as required by laws, regulations and normative documents; (3) he/she shall be equipped with the basic knowledge of the operations of a listed company and be familiar with relevant laws, administrative regulations, rules and procedures; (4) he/she shall have more than five years of work experience in the field of law, economics or otherwise as necessary to perform the duty of an independent director; 	<p>Article 7 An independent director shall satisfy the following basic qualification requirements:</p> <ol style="list-style-type: none"> (1) he/she shall be qualified to serve as a director of the Company in accordance with relevant requirements of laws, regulations, normative documents and the Articles of Association; (2) he/she shall be independent as required by Article 9 of these Rules and other laws, regulations and normative documents; (3) he/she shall be equipped with the basic knowledge of the operations of a listed company and be familiar with relevant laws, administrative regulations, rules and procedures; (4) he/she shall have more than five years of work experience in the field of law, accounting, economics or otherwise as necessary to perform the duty of an independent director;

No.	Existing article	Proposed amendment
	<p>(5) any such other qualification requirements as set out in laws, regulations, normative documents, the provisions of the CSRC, the operation rules of Stock Exchange(s) and the Articles of Association.</p>	<p>(5) having good personal morality and no adverse record such as material dishonesty;</p> <p>(6) any such other qualification requirements as set out in laws, regulations, normative documents, the provisions of the CSRC, the business rules of the Stock Exchange(s) and the Articles of Association.</p>
9	<p>Newly-added</p>	<p>Article 8 A person shall not be nominated as a candidate for the post of independent director of the Company if such person:</p> <p>(1) is prevented from serving as a director in accordance with the laws and regulations and other relevant provisions such as the Company Law;</p> <p>(2) is banned by the CSRC from entering into the securities market to serve as a director, supervisor and senior management member of a listed company for a period that has not expired;</p> <p>(3) is publicly identified by the Stock Exchange(s) as inappropriate to serve as a director, supervisor or senior management member of a listed company for a period that has not expired;</p> <p>(4) has been subject to any administrative punishment by the CSRC or criminal punishment by a judicial organization in the past 36 months due to the violation of laws in relation to securities and futures;</p>

No.	Existing article	Proposed amendment
		<p>(5) has been under criminal investigation by the CSRC or prosecution by a judicial organization for being suspected of committing crimes related to securities and futures where the said investigation or prosecution has not yet been concluded;</p> <p>(6) has been publicly condemned by the Stock Exchange(s) or has been criticized by circulating a notice of criticism by the Stock Exchange(s) for more than three times, within the past 36 months;</p> <p>(7) has adverse records such as material dishonesty;</p> <p>(8) was an independent director who failed to attend and did not appoint another independent director to attend the meeting of the Board on his/her behalf on two consecutive occasions during his/her term of office so that the Board proposed that he/she shall be removed in the shareholders' general meeting, in the past 12 months;</p> <p>(9) any other person specified by laws, regulations, normative documents, the CSRC or the Stock Exchange(s), the Articles of Association.</p>

No.	Existing article	Proposed amendment
10	<p>Article 9 Persons with the following condition may not be nominated as independent directors:</p> <p>(1) any person who holds a post in the Company or its subsidiaries, or any immediate family member of such person or a person with principal social connections to such person (an immediate family member refers to, among others, the spouse, parent or child etc.; and a person with principal social connections refers to, among others, a sibling, parent-in-law, child-in-law, the spouse of a sibling and sibling-in-law);</p> <p>(2) any natural person who directly or indirectly holds more than 1% of the issued shares of the Company or is one of the top 10 natural person shareholders of the Company in respect of the number of shares held, or any immediate family member of such natural person;</p> <p>(3) any person who serves at an organization that directly or indirectly holds more than 5% of the issued shares of the Company or at one of the top five institutional shareholders of the Company, or any immediate family member of such person;</p> <p>(4) any person who serves at the subsidiaries of the Company's controlling shareholder or actual controller, or any immediate family member of such person;</p>	<p>Article 9 Independent directors must maintain their independence. The following persons may not serve as independent directors:</p> <p>(1) any person who holds a post in the Company or its subsidiaries, or any immediate family member of such person or a person with principal social connections to such person (an immediate family member refers to, among others, the spouse, parent or child; and a person with principal social connections refers to, among others, a sibling, the spouse of a sibling, parent-in-law, sibling-in-law, child-in-law and the parent of child-in-law);</p> <p>(2) any natural person who directly or indirectly holds more than 1% of the issued shares of the Company or is one of the top 10 natural person shareholders of the Company in respect of the number of shares held, or any immediate family member of such natural person;</p> <p>(3) any person who serves at an organization that directly or indirectly holds more than 5% of the issued shares of the Company or at one of the top five institutional shareholders of the Company, or any immediate family member of such person;</p> <p>(4) any person who serves at the subsidiaries of the Company's controlling shareholder or actual controller, or any immediate family member of such person;</p>

No.	Existing article	Proposed amendment
	<p>(5) any person who provides, among others, financial, legal, consulting and sponsor services to the Company and its controlling shareholder or any of their respective subsidiaries, including but not limited to all members of the project team, reviewing officers at all levels, signatories of report, partners and principal responsible persons of the intermediary professional institutions;</p> <p>(6) position held with material business dealings with the Company and its controlling shareholder, actual controller or any of their respective subsidiaries, or serves at the organization and controlling shareholder with material business dealings;</p> <p>(7) any person who was once any of the listed in Items (1) to (6) above in the past one year;</p> <p>(8) being banned from entering the securities market by the CSRC, and the entry is still banned;</p> <p>(9) has been administratively penalized by the CSRC in the last three years;</p>	<p>(5) any person who provides, among others, financial, legal, consulting and sponsor services to the Company and its controlling shareholder, actual controller or any of their respective subsidiaries, including but not limited to all members of the project team, reviewing officers at all levels, signatories of report, partners, directors, senior management officers and principal responsible persons of the intermediary professional institutions;</p> <p>(6) any person who has material business dealings with the Company and its controlling shareholder, actual controller or any of their respective subsidiaries, or serves at the organization and its controlling shareholder and actual controller with material business dealings;</p> <p>(7) any person who was once any of the listed in Items (1) to (6) above in the past 12 months;</p> <p>(8) any other person, who is not independent, specified by laws, regulations, normative documents, the Stock Exchange(s) and the Articles of Association.</p>

No.	Existing article	Proposed amendment
	<p>(10) have been publicly reprimanded by the Exchange or more than three times in a circular in the last three years;</p> <p>(11) being publicly determined by a stock exchange to be unsuitable for serving as a director, supervisor or senior management of a listed company;</p> <p>(12) any other person recognised by laws, regulations, normative documents, CSRC, the Stock Exchange(s) and the Articles of Association.</p>	<p>The term “appointment” as mentioned in the preceding paragraph refers to serving as a director, supervisor, senior management officer and other staff member; “material business dealings” refers to matters that need to be submitted to the general meeting of shareholders for consideration in accordance with the business rules of the Stock Exchange(s) or the Articles of Association, or other major matters determined by the Stock Exchange(s).</p> <p>Independent directors shall conduct self-inspection on their independence annually and report the result to the Board accordingly. The Board shall assess the independence of the existing independent directors and issue specified opinions annually, which shall be disclosed together with the annual report.</p>
11	<p>Article 10 The Board, the board of supervisors or any such shareholder or shareholders who individually or jointly hold more than 1% of the issued shares of the Company may nominate independent director candidates, who shall be subject to election at the general meetings.</p>	<p>Article 10 The Board, the board of supervisors or any such shareholder or shareholders who individually or jointly hold more than 1% of the issued shares of the Company may nominate independent director candidates, who shall be subject to election at the general meetings.</p> <p>A legally established investor protection institution may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</p> <p>The nominators referred in the first paragraph of this Article shall not nominate any person with whom he/she has interests or any other person with close relationship who may affect his/her independent performance as an independent director candidate.</p>

No.	Existing article	Proposed amendment
12	<p>Article 11 Prior to nominating a candidate for the post of independent director, consent shall be obtained from such candidate. The nominator shall have adequate knowledge of the occupation, educational background, professional title, detailed work experience of the candidate, all part-time jobs the nominee has been taking and give his/her opinion on the qualification and independence of such nominee as an independent director. The nominee shall make a public statement that there is no such relationship between the nominee and the Company that may affect the nominee's independent and objective judgment. The said information shall be disclosed by the Board of the Company as required prior to the general meeting at which such independent director will be elected.</p>	<p>Article 11 Prior to nominating a candidate for the post of independent director, consent shall be obtained from such candidate. The nominator shall have adequate knowledge of the occupation, educational background, professional title, detailed work experience of the candidate, all part-time jobs the nominee has been taking and whether there is any act of material dishonesty and other adverse records and give his/her opinion on the qualification and independence of such nominee as an independent director. The nominee shall make a public statement on his/her fulfillment of independence and other requirements for serving as an independent director.</p> <p>The nomination and remuneration committee of the Company shall review the qualifications of the nominees and formulate clear review opinions.</p> <p>In the circular to shareholders, the Board shall set out the procedures for identifying the independent director, the reasons why the Board considers that the independent director should be elected or appointed, the reasons why the Board considers the independent director to be independent, the opinions, perspectives, skills and experience that the independent director can bring to the Board, and how such independent director contributes to diversity on the Board.</p>

No.	Existing article	Proposed amendment
13	<p>Article 12 Prior to the general meeting at which independent directors will be elected, the Company shall submit the relevant materials of all the nominees to the CSRC, the local office of the CSRC at the place where the Company is located, and the Stock Exchange(s) at the same time. In case the Board of the Company has any objection against the nominee in any respect, the written opinion of the Board shall be submitted in tandem.</p> <p>In case the CSRC has any objection against any nominee, such nominee shall not stand as a candidate for the post of independent director, but may serve as a candidate for the post of director of the Company. At the general meeting at which independent directors are elected, the Board of the Company shall make statements on whether the CSRC has any objection against any independent director candidate in terms of his/her qualification and independence.</p>	<p>Article 12 The Company shall submit the relevant materials of all the independent director candidates to the Stock Exchange(s) at the same time, no later than the publication of the announcement on the notice of convening the shareholders' general meeting in relation to the election of independent directors, disclose the statements and commitments of the nominator and independent director candidates, and the nomination and remuneration committee review opinions and ensure the authenticity, accuracy and completeness of the announcement content. If the Stock Exchange(s) raises objections, the Company shall promptly make such disclosure and shall not submit it to the shareholders' general meeting for election. If it has been submitted to the shareholder's general meeting for consideration, the Company shall cancel the proposal. At the general meeting at which independent directors are elected, the Board of the Company shall make statements on whether the Stock Exchange(s) has any objection against any independent director candidate in terms of his/her qualification and independence.</p>
14	<p>Newly-added</p>	<p>Article 13 Where two or more independent directors are elected at the shareholders' general meeting, the cumulative voting system shall be adopted. The poll results of small and medium shareholders shall be counted separately and disclosed.</p>

No.	Existing article	Proposed amendment
15	<p>Article 13 An independent director shall have the same tenure with the other directors of the Company and may be re-elected upon expiration of the tenure, provided that no independent director may serve for more than six consecutive years.</p>	<p>Article 14 An independent director shall have the same tenure with the other directors of the Company and may be re-elected upon expiration of the tenure, provided that no independent director may serve for more than six consecutive years. Any person who has served as an independent director of the Company for six consecutive years shall not be nominated as a candidate for an independent director of the Company within 36 months thereafter.</p>
16	<p>Article 14 Any independent director who fails to attend three meetings of the Board consecutively in person, shall be subject to removal proposed by the Board to the shareholders' general meeting. Subject to the foregoing or any other circumstance specified in laws, regulations, normative documents or the Rules under which a person may not serve as an independent director, an independent director shall not be removed without cause prior to expiration of his/her tenure. In case of early termination, the Company shall disclose the same as a special disclosure matter. The independent director being removed may make a public statement if he/she thinks that such removal by the Company is not justified.</p>	<p>Article 15 Any independent director who neither attend two meetings of the Board consecutively in person nor appoint another independent director to attend the meeting on his/her behalf shall be subject to removal proposed by the Board to the shareholders' general meeting within 30 days from the date of such occurrence.</p> <p>Where an independent director fails to meet the requirements of appointment or independence requirements or is otherwise unsuitable for performing his/her duties as an independent director, he/she shall immediately cease to perform his/her duties and resign from his/her position. Where an independent director fails to resign within the period stipulated, the Board shall immediately dismiss his/her office as required when it becomes aware of, or shall be aware of, such fact.</p>

No.	Existing article	Proposed amendment
		<p>Subject to the foregoing or any other circumstance specified in laws, regulations, normative documents or the Rules under which a person may not serve as an independent director, an independent director shall not be removed without cause prior to expiration of his/her tenure. In case of early termination, the Company shall disclose the specific reasons and basis in a timely manner. If the independent director has any objection, the Company shall disclose the same in a timely manner.</p> <p>In case that the proportion of the independent directors in the Board or special committees of the Company does not comply with the proportion required by laws, regulations, normative documents or the Articles of Association due to resignation or removal of an independent director as a result of the circumstances set out in the preceding paragraph or in case of an absence of accounting professionals in the independent directors, the Company shall complete the by-election within 60 days from the date of occurrence of the aforementioned facts.</p>

No.	Existing article	Proposed amendment
17	<p>Article 15 An independent director may offer to resign prior to expiration of his/her tenure by submitting written resignation report to the Board setting forth any matter related to his/her resignation or other matters that shall be brought to the attention of the shareholders or creditors of the Company.</p> <p>In case that the proportion of the independent directors in the Board of the Company falls below the minimum limit of the laws, regulations, normative documents due to resignation of an independent director, the resignation of such independent director shall not take effect until the succeeding independent director fills the position.</p>	<p>Article 16 An independent director may offer to resign prior to expiration of his/her tenure by submitting written resignation report to the Board setting forth any matter related to his/her resignation or other matters that shall be brought to the attention of the shareholders or creditors of the Company. The Company shall disclose the reasons for resignation of the independent director and the matters of concern.</p> <p>In case that the proportion of the independent directors in the Board or special committees of the Company does not comply with the proportion required by laws, regulations, normative documents or the Articles of Association due to resignation of an independent director or in case of an absence of accounting professionals in the independent directors, the Company shall complete the by-election within 60 days from the date of occurrence of the aforementioned facts. The resignation of such independent director shall not take effect until the succeeding independent director fills the position.</p>

No.	Existing article	Proposed amendment
18	<p>Article 16 When the Board are considering certain matters where any independent director believes that his/her independence may be affected, he/she shall make declaration to the Company and abstain from voting on such matter. Where his/her independence is obviously affected during his/her tenure, he/she shall promptly notify the Company and submit a resignation report.</p>	<p>Article 17 An independent director shall perform the following duties:</p> <ol style="list-style-type: none"> <li data-bbox="852 421 1351 566">(1) to participate in the decision-making of the Board and express clear opinions on the matters considered; <li data-bbox="852 612 1351 1027">(2) to monitor the potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management members to ensure the decisions made by the Board to be in the interests of the listed company as a whole and to protect the legitimate rights and interests of small and medium shareholders; <li data-bbox="852 1074 1351 1261">(3) to provide professional and objective advice on the operation and development of the Company to improve the decision-making level of the Board; <li data-bbox="852 1308 1351 1495">(4) to perform other duties as stipulated in laws, regulations, normative documents, provisions of the CSRC and the Articles of Association. <p>When the Board are considering certain matters where any independent director believes that his/her independence may be affected, he/she shall make declaration to the Company and abstain from voting on such matter. Where his/her independence is obviously affected during his/her tenure, he/she shall promptly notify the Company and take rectification measures and submit a resignation report if necessary.</p>

No.	Existing article	Proposed amendment
19	<p>Article 17 In addition to the powers granted to a director by the Company Law and other relevant laws, regulations and normative documents, an independent director shall have the following special powers:</p> <p>(1) to grant prior approval of any material related party transaction;</p> <p>(2) to make a proposal to the Board to engage or remove an accounting firm;</p> <p>(3) to propose to convene an extraordinary general meeting to the Board;</p> <p>(4) to propose to convene a meeting of the Board;</p> <p>(5) to engage an external auditor or advisor independently;</p> <p>(6) to solicit voting rights from shareholders publicly prior to the commencement of a general meeting;</p> <p>(7) to exercise any other power as authorized by the Articles of Association and the listing rules of the Stock Exchange(s).</p> <p>If any of the said proposals is not adopted or any of the said power may not be duly exercised, relevant information shall be disclosed by the Company.</p>	<p>Article 18 In addition to the powers granted to a director by the Company Law and other relevant laws, regulations and normative documents, an independent director shall have the following special powers:</p> <p>(1) to engage an intermediary independently to conduct audit, consultation or verification on specific matters of the Company;</p> <p>(2) to propose to convene an extraordinary general meeting to the Board;</p> <p>(3) to propose to convene a meeting of the Board;</p> <p>(4) to solicit shareholders' rights from shareholders publicly in accordance with laws;</p> <p>(5) to express independent opinions on the matters that would prejudice the interests of the Company or the small and medium shareholders;</p> <p>(6) to exercise any other power as authorized by the laws, regulations, normative documents, the CSRC, the Articles of Association and the rules of the Stock Exchange(s).</p> <p>Where independent directors exercise the power set out in items (1) to (3) of the preceding paragraph, consent of more than half of all independent directors shall be obtained.</p>

No.	Existing article	Proposed amendment
		<p>Where independent directors exercise the power set out in the first paragraph, the Company shall disclose the matters in a timely manner. If any of the said power may not be duly exercised, specific information and reasons shall be disclosed by the Company.</p>
20	<p>Article 18 In addition to the said power, independent directors shall express their independent opinion on the following material issues to the Board or at the general meeting:</p> <ol style="list-style-type: none"> (1) nomination, appointment and removal of directors; (2) appointment or dismissal of senior management members; (3) remuneration of the directors or senior management members of the Company; (4) whether the formulation, adjustment and decision-making procedure, implementation and information disclosure of the cash dividend policy of the Company, as well as the profit distribution policy may harm the legitimate rights and interest of small and medium investors; (5) any disclosable related-party transaction, entrusted wealth management, external financial assistance provided, change of the use of the proceeds, investment in stocks or its derivatives and other material issues; 	Deleted

No.	Existing article	Proposed amendment
	<p>(6) existing or newly incurred borrowings owed to the Company by the shareholders of the Company, the actual controller of the Company and its related enterprises, or other capital dealings between the shareholders of the Company, the actual controller of the Company and its related enterprises on the one hand, and the Company on the other, the total amount of which is required to be considered and approved by the Board or the general meeting (in accordance with the listing rules of the Stock Exchange(s)), and whether the Company has taken effective measures to collect the amount outstanding;</p> <p>(7) material asset restructuring plans, share incentive schemes;</p> <p>(8) the Company's proposal for delisting of its shares from the Stock Exchange(s) or applying for trading or transfer of its shares on other Stock Exchange(s);</p> <p>(9) any such other matter that, in the opinion of the independent directors, may damage the legitimate rights and interest of the minority shareholders; and</p> <p>(10) other matters specified by laws, regulations, normative documents, operation rules of the Stock Exchange(s) and the Articles of Association.</p>	

No.	Existing article	Proposed amendment
	<p>An independent director shall issue an independent opinion of one of the following categories: consent, qualified opinion and the reasons therefor, objection and the reasons therefor, or inability to give an opinion and the obstacles to do so. The opinions given shall be clear and definite.</p> <p>For any disclosable matter, the Company shall make an announcement of the opinion of independent directors. Where there are conflicting views among independent directors, the Board shall disclose each of their opinions, respectively.</p>	
21	<p>Article 19 Independent opinions issued by the independent directors with regard to any material issue shall include at least the followings:</p> <ol style="list-style-type: none"> (1) basic information of the material issue; (2) the basis of such opinions, including, among others, the procedures performed, documents reviewed or information of on-site investigation; (3) compliance of the material issue; (4) the impact of such material issues on the rights and interests of the Company and the minority shareholders, any potential risks and whether the measures taken by the Company are effective; and (5) the conclusive opinion issued. Any independent director who renders a qualified opinion or an objection, or is unable to give an opinion in respect of any material issue, shall clearly explain the reasons therefor. 	<p>Article 19 Independent opinions issued by the independent directors with regard to any material issue shall include at least the followings:</p> <ol style="list-style-type: none"> (1) basic information of the material issue; (2) the basis of such opinions, including, among others, the procedures performed, documents reviewed or information of on-site investigation; (3) compliance of the material issue; (4) the impact of such material issues on the rights and interests of the Company and the minority shareholders, any potential risks and whether the measures taken by the Company are effective; and (5) the conclusive opinion issued. Any independent director who renders a qualified opinion or an objection, or is unable to give an opinion in respect of any material issue, shall clearly explain the reasons therefor and obstacles for not providing an opinion.

No.	Existing article	Proposed amendment
	An independent director shall confirm his/her independent opinion by signature and promptly notify the Board of the same, and such independent opinion shall be disclosed together with the relevant announcement of the Company.	An independent director shall confirm his/her independent opinion by signature and promptly notify the Board of the same, and such independent opinion shall be disclosed together with the relevant announcement of the Company.
22	<p>Article 20 Any independent director who becomes aware of any of the following shall actively perform the obligation of due diligence and report to the Stock Exchange(s) in a timely manner, and engage an intermediary institution to carry out special investigations if necessary:</p> <p>(1) any material issue fails to be submitted to the Board or the general meeting for consideration as required;</p> <p>(2) any obligation of information disclosure fails to be performed in a timely manner;</p> <p>(3) the information disclosed by the Company contains any false statement, misleading representation or material omission;</p> <p>(4) any other circumstances under which the Company is suspected to be in violation of laws or regulations or harm the legal rights and interest of minority shareholders.</p>	Deleted

No.	Existing article	Proposed amendment
23	Newly-added	<p>Article 20 The following matters shall be submitted to the Board for consideration after approval by more than half of all independent directors of the Company:</p> <ol style="list-style-type: none"> (1) disclosable related party transactions; (2) plans for the Company and related parties to change or waive commitments; (3) decisions made and measures taken by the Board when the Company was being acquired; (4) other matters as stipulated by laws, regulations, normative documents, provisions of the CSRC and the Articles of Association.
24	Newly-added	<p>Article 21 The Company shall regularly or irregularly convene meetings attended by all independent directors (hereinafter referred to as “Special Meeting(s) of Independent Directors”). Matters listed in items (1) to (3) of the first paragraph of Article 18 and Article 20 shall be considered at the Special Meeting(s) of Independent Directors.</p> <p>The Special Meeting(s) of Independent Directors shall be convened and chaired by an independent director jointly elected by more than half of the independent directors. In the event that the convenor does not perform his/her duties or is unable to perform his/her duties, two or more independent directors may convene their own meeting and elect a representative to chair the meeting.</p>

No.	Existing article	Proposed amendment
25	Newly-added	<p>Article 22 Prior to the convening of a Board meeting of the Company, independent directors may communicate with the secretary of the Board to make enquiries, request for supplementary materials, and provide opinions and suggestions on the matters to be considered. The Board and other relevant personnel shall duly study the questions, requests and opinions raised by the independent directors and shall provide feedback to the independent directors on the revision of the motions in a timely manner.</p>
26	Newly-added	<p>Article 23 If an independent director votes against or abstains from voting on a proposal of the Board, he/she shall state the specific reasons and basis, the legal compliance of the matters involved in the proposal, possible risks, and the impact on the rights and interests of the listed company and the small and medium shareholders. While disclosing the resolutions of the Board, the listed company shall also disclose the dissenting opinions of the independent directors, and set them out in the resolutions of the Board and the meeting minutes.</p>
27	Newly-added	<p>Article 24 Independent directors shall continue to pay attention to the implementation of the resolutions of the Board related to the matters required under laws and regulations and rules of the Stock Exchange(s). If there are violations of laws, regulations, normative documents, provisions of the CSRC, rules of the Stock Exchange(s) and the provisions of the Articles of Association, or of resolutions of the shareholders' general meeting and the Board, the independent directors shall timely report to the Board, and may require the Company to make a written explanation. In the event that disclosure is involved, the Company shall make timely disclosure.</p>

No.	Existing article	Proposed amendment
28	Newly-added	<p>Article 25 The independent directors shall perform duties in special committees of the Board in accordance with laws, regulations, normative documents, provisions of the CSRC, business rules of the Stock Exchange(s) and the Articles of Association.</p> <p>Independent directors shall attend the meetings of the Board and its special committee in person. If they are unable to attend the meetings in person for any reason, they shall review the materials of the meeting in advance, form a clear opinion and appoint another independent director in writing to attend the meetings on their behalf.</p> <p>In performing their duties, independent directors may, in accordance with the procedures, submit to the special committees for discussion and consideration in a timely manner on any material matters of the Company within the terms of reference of the special committees.</p>
29	Newly-added	<p>Article 26 Any independent director shall spend not less than 15 days a year working on-site at the Company.</p> <p>In addition to attending shareholders' general meetings, meetings of the Board and its special committees and Special Meetings of Independent Directors in accordance with the requirements, independent directors shall perform their duties by various means, such as obtaining information on the operations of the Company on a regular basis, receiving reports from management, communicating with the person in charge of the internal audit organization and intermediaries such as the accounting firm that undertakes the auditing engagement of the Company, conducting on-site inspections, and communicating with small and medium shareholders.</p>

No.	Existing article	Proposed amendment
30	Newly-added	<p>Article 27 Minutes shall be prepared for Board meetings and meetings of board committees of the Board and Special Meetings of Independent Directors in accordance with the requirements, and the opinions of the independent directors shall be set out in the minutes. The independent directors shall sign to confirm the minutes.</p> <p>Independent directors shall prepare work records to record in detail the performance of their duties. The information obtained by the independent directors in the course of performing their duties, minutes of relevant meetings, and the communication records with the staff of the Company and intermediaries shall constitute an integral part of the work records. In respect of important information in the work records, the independent directors may require the signed confirmation from relevant personnel such as the secretary of the Board under the support of the Company and relevant personnel.</p> <p>The work records of the independent directors and the information provided by the Company to the independent directors shall be kept for at least 10 years.</p>
31	Article 21 In addition to attending the meetings of the Board, an independent director shall ensure that reasonable time is spared to carry out on-site investigations on the Company's production and operation, establishment and implementation of management and internal control systems, as well as implementation of the resolutions of the Board. Any irregularity identified during the on-site investigations shall be promptly reported to the Board of the Company and the Stock Exchange(s).	Deleted

No.	Existing article	Proposed amendment
32	<p>Article 22 An independent director shall notify the CSRC, the Stock Exchange(s) and the local office of the CSRC at the place where the Company is located, if any of the following event arises:</p> <p>(1) such independent director is removed by the Company, while he/she believes that such removal is not justified;</p> <p>(2) such independent director resigns from his/her office due to the fact that the Company hinders his/her exercise of power in accordance with laws;</p> <p>(3) the materials for a meeting of the Board are inadequate and more than two independent directors have made a written proposal to adjourn a meeting or postpone the consideration of relevant matters, and such proposal has not been adopted;</p> <p>(4) the Board fails to take effective measures after the independent director has reported to the Board in respect of any suspected violation of laws or regulations on the part of the Company or any of its directors, supervisors or senior management members;</p> <p>(5) any other circumstances that seriously hinders the independent director from performing his/her duties.</p> <p>The independent directors shall notify the Stock Exchange(s) prior to his/her public disclosure of any statement in connection with the foregoing.</p>	<p>Article 28 An independent director shall notify the relevant Stock Exchange(s) if any of the following event arises:</p> <p>(1) such independent director is removed by the Company, while he/she believes that such removal is not justified;</p> <p>(2) such independent director resigns from his/her office due to the fact that the Company hinders his/her exercise of power in accordance with laws;</p> <p>(3) the materials for a meeting of the Board are inadequate and two or more independent directors have made a written proposal to adjourn a meeting or postpone the consideration of relevant matters, and such proposal has not been adopted;</p> <p>(4) the Board fails to take effective measures after the independent director has reported to the Board in respect of any suspected violation of laws or regulations on the part of the Company or any of its directors, supervisors or senior management members;</p> <p>(5) any other circumstances that seriously hinders the independent director from performing his/her duties.</p>

No.	Existing article	Proposed amendment
33	<p>Article 23 The Company shall set up and maintain an archive of Work Records of Independent Directors, and an independent director shall record his/her performance of duties in writing in the Work Records of Independent Directors.</p>	Deleted
34	<p>Article 27 Where there are conflicting views among the independent directors with respect to any specific matter of the annual report, an external auditor may be engaged independently if agreed by one half or more of the independent directors, to provide audit and consulting services in respect of such specific matter at the Company's expense.</p>	Deleted
35	<p>Article 30 Independent directors shall submit work reports to the annual general meeting of the Company and file the same with the Stock Exchange(s) for record. The work report shall include the following:</p> <ol style="list-style-type: none"> <li data-bbox="323 1112 826 1300">(1) their attendance at the Board meetings and shareholders' general meetings in the previous year, including the reasons and times that any independent director failed to attend in person; <li data-bbox="323 1332 826 1519">(2) information about opinions given and votes cast at the meetings of the Board, including the occasions that anyone abstains from voting or votes against and reasons therefor; <li data-bbox="323 1551 826 1953">(3) information about the investigation on the Company's production and operation, the development of systems and the implementation of the resolutions of the Board; information about the discussion with the Company's management and information about the on-site investigations and studies on the Company's significant investment, production and construction projects; 	<p>Article 34 Independent directors shall submit work reports to the annual general meeting of the Company, which shall include the following:</p> <ol style="list-style-type: none"> <li data-bbox="853 1055 1353 1242">(1) the manner and frequency of their attendance as well as their voting at the Board meetings and the frequency of their attendance at shareholders' general meetings for the whole year; <li data-bbox="853 1274 1353 1391">(2) participation in the work of special committees of the Board and Special Meetings of Independent Directors; <li data-bbox="853 1423 1353 1710">(3) consideration of the matters considered by the special committees of the Board and Special Meetings of Independent Directors, and the exercise of special powers of independent directors as required by laws, administrative regulations and rules of the Stock Exchange(s);

No.	Existing article	Proposed amendment
	<p>(4) efforts made to protect the legitimate rights and interest of the public shareholders;</p> <p>(5) attendance of trainings;</p> <p>(6) other work done to perform the duties as an independent director in accordance with relevant regulations, rules, normative documents and the Articles of Association;</p> <p>(7) self-inspection conclusion as to whether or not he/she still satisfies the independence requirement and whether there's any changes to the candidate's representations and undertakings.</p>	<p>(4) material matters on which they communicate with the internal audit body and the accounting firm that undertakes the auditing work for listed companies in respect of the Company's financial and business condition, and the method and result of the communication;</p> <p>(5) the communication and exchange of views with small and medium shareholders;</p> <p>(6) the time and description of the work on-site at the Company;</p> <p>(7) performance of duties under other circumstances.</p>
36	<p>Article 31 The Company shall ensure that an independent director shall have the same right to information that the other directors are entitled to. In respect of any matter that requires decision-making by the Board, the Company must give prior notice to independent directors and furnish sufficient information within the statutory time limit. Any independent director may demand supplement if he/she believes that the information is inadequate.</p>	<p>Article 35 The Company shall ensure that an independent director shall have the same right to information that the other directors are entitled to. To ensure effective exercise of powers by the independent directors, the Company shall inform the independent directors on a regular basis of the operation of the Company, provide information, and organize, or cooperate with the independent directors to carry out, on-site inspections.</p>

No.	Existing article	Proposed amendment
	<p>The information provided by the Company to independent directors shall be kept by the Company and the independent directors for at least five years.</p>	<p>The Company shall promptly issue a notice of Board meeting to independent directors, provide relevant materials for the meeting no later than the end of notice period of the Board meeting as prescribed by laws, regulations, regulatory documents, provisions of the CSRC or the Articles of Association, and provide independent directors with effective communication channels. Where a meeting is convened by a special committee of the Board, the Company shall, in principle, provide relevant information no later than three days before the meeting of the special committee is convened. The Company shall keep the aforesaid meeting materials for at least ten years. If two or more independent directors consider that the meeting materials are incomplete, without sufficient proof or not provided in a timely manner, they may propose to the Board in writing to postpone the meeting or defer the consideration of such matter, and the Board shall adopt such proposal.</p> <p>The meeting convened by the Board or special committees shall be in generally held onsite. The meeting may be held through video conferencing, teleconferencing or other means in accordance with relevant procedures when necessary, provided that all participating directors shall be able to communicate and express their views adequately.</p>

No.	Existing article	Proposed amendment
37	<p>Article 32 The Company shall provide independent directors with working conditions necessary for their performance of duties. The secretary of the Board of the Company shall actively assist independent directors in their performance of duties, such as introduction of relevant information and provision of materials. The secretary of the Board shall promptly deal with the announcement of any independent opinion, proposal and written explanation expressed by an independent director which is required to be announced, at the Stock Exchange(s).</p>	<p>Article 36 The Company shall provide independent directors with working conditions necessary for their performance of duties. The secretary of the Board of the Company shall actively assist independent directors in their performance of duties, such as introduction of relevant information and provision of materials. Where the performance of duties of an independent director involves disclosure of information, the Company shall make disclosure in a timely manner.</p>
38	<p>Article 35 The Company shall offer appropriate allowances to the independent directors. The allowance standards shall be proposed by the Board and approved by the shareholders' general meeting after consideration, which shall be disclosed in the annual report of the Company.</p> <p>In addition to the said allowances, no independent director shall receive any additional and undisclosed benefit from the Company, any substantial shareholder of the Company or any organization or individual who is interested in the Company.</p>	<p>Article 39 The Company shall offer appropriate allowances to the independent directors. The allowance standards shall be proposed by the Board and approved by the shareholders' general meeting after consideration, which shall be disclosed in the annual report of the Company.</p> <p>In addition to the said allowances, no independent director shall receive any additional and undisclosed benefit from the Company, any substantial shareholder and actual controller of the Company or any organization or individual who is interested in the Company.</p>

No.	Existing article	Proposed amendment
39	Article 38 These Rules shall be interpreted by the Board, and any amendments shall be made only upon consideration and approval by the general meeting after such amendments are proposed by the Board.	Article 42 These Rules shall be interpreted and revised by the Board.
40	Article 39 These Rules shall come into force from the date when they are passed by the general meeting by way of an ordinary resolution. Provisions pertaining to the domestic listing shall come into force from the date on which the shares of the Company are listed on the domestic stock exchange.	Article 43 These Rules shall come into force and be implemented from the date when the relevant resolution is passed by the Board.

In order to further optimize the return for shareholders mechanism of the Company, to maintain a consistent and stable profits distribution policy, to strengthen the rationality, stability and transparency of cash dividend plan, and to actively provide return to shareholders, the Company formulated and proposed the dividend plan for the next three years (2024-2026) in accordance with the relevant requirements of the Notice to Further Implement Cash Dividend for Listed Companies (Zheng Jian Fa [2012] No. 37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)), the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies (2022 Revision) (CSRC Announcement [2022] No. 3) (《上市公司監管指引第3號-上市公司現金分紅(2022年修訂)》(證監會公告[2022]3號)) and the Articles of Association. The dividend plan for the next three years (2024-2026) was considered and approved at the fifth meeting of the fourth session of the Board Company, and will be proposed to the Shareholders for consideration and approval at the forthcoming AGM, details of which are as follows:

I. CONSIDERATIONS IN FORMULATING THE DIVIDEND PLAN

With a view to maintaining the long-term and sustainable development of the Company, and on the basis of a comprehensive analysis of the Company's business development strategies, requirements and willingness of shareholders, the external environment and other factors, the Company proposed institutional arrangements on profit distribution and formulated a consistent and stable profit distribution mechanism for investors, after taking into consideration of the Company's present and estimated future profits, cash flow status, stage of development, funding needs for investment projects, bank credit and the external financing environment.

II. PRINCIPLES IN FORMULATING THE DIVIDEND PLAN

The Company will implement a consistent, stable, scientific and active profit distribution policy, with an emphasis on both reasonable return to investors and sustainable development of the Company. On the basis of the foresaid policies as well as its profits and future strategic needs, the Company will establish a consistent and stable return mechanism for investors. The Company should formulate the dividend plan that adheres to a profit distribution principle of giving mainly cash dividends in accordance with the PRC Company Law and other relevant laws and regulations, and the Articles of Association. The Company shall take full account of the opinions of independent Directors, supervisors and minority Shareholders when making decisions and reviewing the dividend plan.

III. DIVIDEND PLAN FOR THE NEXT THREE YEARS**1. Forms of profit distribution**

The Company may distribute its profits in the form of cash, shares, and a combination of cash and shares, while giving priority to the form of cash dividends. Profit distribution shall not exceed the cumulative distributable profits of the Company or damage the Company's sustainability in operation. In principle, the Company would distribute its profits on an annual basis, while the Board may propose an interim dividend considering the profits and capital needs of the Company.

2. Conditions for cash dividend

Pursuant to the PRC Company Law and other relevant laws and regulations, and the Articles of Association, should the cumulative distributable profits be positive after compensating for losses and allocating for statutory surplus reserve fund and discretionary surplus fund, and the capital needs for daily operation be ensured, the Company shall distribute cash dividend.

3. Proportion of cash dividend

The profits distributed by the Company in the form of cash each year shall be no less than 10% of the distributable profits realized in that year.

The Board may consider, in a comprehensive manner, factors ranging from the characteristics of the industry of the Company, to the stage of development of the Company, the business model and profitability of the Company, the existence or non-existence of major funding expenditure arrangements; and then put forward a differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

- 1) if, in terms of development, the Company is in the mature stage and there are no major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 80% of the profit distribution;
- 2) if, in terms of development, the Company is in the mature stage but there are major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 40% of the profit distribution;
- 3) if, in terms of development, the Company is in the growth stage and there are major funding expenditure arrangements, then, in the event of a profit distribution, cash dividend shall account for at least 20% of the profit distribution. To the extent the Board concludes that the development stage of the Company is not readily distinguishable but there are major funding expenditure arrangements, this subparagraph shall apply.

IV. DECISION-MAKING AND ADJUSTMENT MECHANISM OF DIVIDEND PLAN

1. At least once every three years, the Company shall evaluate the implementation of the executed dividend plans. Should no adjustments be made on the profit distribution policy pursuant to the Articles of Association, the most recent dividend plan approved or adjusted shall be automatically extended and implemented. No new dividend plan is needed for review.
2. The Board shall be responsible for preparing the profit distribution plan. Such plan, if considered and approved by the Board, shall then be submitted to the Shareholders at general meeting for consideration and may be implemented only if it is so approved at general meeting.
3. The Company shall strictly adhere to cash dividend policy as regulated in the Articles of Association and the dividend plan as approved by Shareholders at general meeting. If major changes in the external operating environment or in the Company's operating conditions results in the need for adjustment of the profit distribution policy, the Board shall re-formulate the profit distribution policy. Such new profit distribution policy formulated by the Board shall be submitted to the Shareholders at general meeting for consideration and may be carried out only when it is approved by an affirmative vote representing at least two-thirds of the voting rights held by the Shareholders present at the general meeting.

V. DISCLOSURE OF PROFIT DISTRIBUTION

The Company shall disclose its cash dividend policy and its implementation in annual reports. If the Company has been profitable in the relevant year and has distributable profits, but the Board has not formulated a cash dividend plan or has prepared a cash profit distribution plan that does not conform to the Articles of Association, the Company shall provide a detailed disclosure in its periodic reports. Should the cash dividend policy be adjusted or amended, a detailed illustration of conditions and procedures of such adjustments or amendments, and compliance and transparency of such adjustments or amendments shall be disclosed.

VI. OTHERS

The Board shall be responsible for interpreting the dividend plan. The dividend plan or its adjustments shall become effective upon approval by the Shareholders at general meeting of the Company. Any other matters concerned of the dividend plan shall be implemented pursuant to relevant laws and regulations and the Articles of Association.

NOTICE OF 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 18, 2024 at 2:00 p.m. at Multi-functional Meeting Room, 2/F, YOFC Headquarters Building, No. 65 Guanggu Chuangye Street, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purpose of considering and if thought fit, passing the following resolutions. In this notice, unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Company’s circular dated May 28, 2024 (the “Circular”).

ORDINARY RESOLUTIONS

1. To approve the report of the Board for the year 2023;
2. To approve the report of the Board of Supervisors for the year 2023;
3. To approve the 2023 annual report of the Company;
4. To approve the final financial report for the year 2023;
5. To approve the proposed profit distribution plan for the year 2023;
6. To approve the re-appointment of KPMG Huazhen LLP as independent auditors of the Company for the year 2024;
7. To approve the purchase of liability insurance for Directors, Supervisors and senior management of the Company;
8. To approve the 2024 annual external guarantee amount as set out in Appendix I to the Circular, 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 2024 annual external guarantee amount contemplated under this proposal;

NOTICE OF ANNUAL GENERAL MEETING

9. To approve the 2024 asset pool business to be carried out by the Company as set out in Appendix II to the Circular; and
10. To consider and approve the appointment of Mr. Lars Frederick Persson as a non-executive director of the Company.

SPECIAL RESOLUTIONS

11. To consider and approve the amendments to the Articles of Association;
12. To consider and approve the amendments to the Procedural Rules for the General Meeting;
13. To consider and approve the amendments to the Procedural Rules for the Board of Directors;
14. To consider and approve the amendments to the Working Rules for Independent Directors; and
15. To consider and approve the proposed dividend plan of the Company for the next three years (2024-2026) as set out in Appendix VII to the Circular.

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 28, 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) Circular

Details of the above proposals and resolutions to be considered at the AGM are set out in the circular of the Company dated May 28, 2024. 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 13, 2024 to Tuesday, June 18, 2024 (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 Tuesday, June 18, 2024 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 documents together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, June 12, 2024.

(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 Monday, June 24, 2024 to Tuesday, July 2, 2024 (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 Tuesday, July 2, 2024 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 documents together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, June 21, 2024.

(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 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 AGM (i.e. not later than 2:00 p.m. on Monday, June 17, 2024) 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 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 Mr. Zhuang Dan as executive director; Mr. Ma Jie, Mr. Philippe Claude Vanhille, Mr. Guo Tao, Mr. Pier Francesco Facchini, Mr. Iuri Longhi, Mr. Xiong Xiangfeng and Mr. Mei Yong, as non-executive directors; Mr. Bingsheng Teng, Mr. Song Wei, Dr. Wong Tin Yau, Kelvin and Ms. Li Chang'ai, as independent non-executive directors.

* *For identification purpose only*