
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 supplemental circular together with the accompanying supplemental proxy forms 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.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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Yangtze Optical Fibre and Cable Joint Stock Limited Company* **長飛光纖光纜股份有限公司**

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

(Stock Code: 6869)

PROPOSED EXTENSION OF THE EFFECTIVE PERIOD OF THE RESOLUTION APPROVING THE A SHARE OFFERING

PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORIZATION GRANTED TO THE BOARD TO DEAL WITH ALL MATTERS RELATING TO THE A SHARE OFFERING

PROPOSAL ON THE DILUTION OF IMMEDIATE RETURN AS A RESULT OF THE A SHARE OFFERING AND REMEDIAL MEASURES

AND

SUPPLEMENTAL NOTICES OF THE AGM, THE FIRST DOMESTIC SHARE CLASS MEETING AND THE FIRST H SHARE CLASS MEETING

This supplemental circular should be read in conjunction with the circular of the Company dated April 6, 2018.

A supplemental notice of each of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting, which will be held as originally scheduled at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 22, 2018 at 10:00 a.m., 11:00 a.m. and 11:30 a.m., respectively, is set out on pages 21 to 23, pages 24 to 27 and pages 28 to 31 of this supplemental circular, respectively.

A supplemental proxy form for use at each of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting is enclosed with this supplemental circular. If you intend to appoint a proxy to attend the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting you are required to complete and return the accompanying supplemental proxy forms in accordance with the instructions printed thereon. The supplemental proxy forms should be returned to the Company's H Share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for holder of H Shares, and to the Company's Board of Directors' Office, at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073), for holder of Domestic Shares by hand or by post not later than 10:00 a.m., 11:00 a.m. and 11:30 a.m. (Hong Kong time) on Monday, May 21, 2018 for the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting respectively. Completion and return of the supplemental proxy forms will not preclude you from attending and voting in person at the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting or at any adjourned meeting (as the case may be) 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 supplemental circular are to Hong Kong time and dates.

* For identification purposes only

April 20, 2018

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company for the year 2017 to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 22, 2018 at 10:00 a.m., or any adjournment thereof
“A Share(s)”	ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are proposed to be issued by the Company pursuant to the A Share Offering and subscribed for in Renminbi
“A Share Offering”	the Company’s proposed initial public offering of not more than 75,790,510 A Shares, which are proposed to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“China Huaxin”	China Huaxin Post and Telecom Technologies Co., Ltd. (中國華信郵電科技有限公司), an entity incorporated in the PRC, a Shareholder holding 26.37% of the total issued share capital of the Company as at the Latest Practicable Date and a connected person of the Company
“Company”	Yangtze Optical Fibre and Cable Joint Stock Limited Company* (長飛光纖光纜股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the directors of the Company
“Domestic Shares”	ordinary shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Draka”	Draka Comteq B.V., a company incorporated in the Netherlands and wholly-owned by Draka Holding B.V. and a Shareholder holding 26.37% of the total issued share capital of the Company as at the Latest Practicable Date and a connected person of the Company

DEFINITIONS

“ESOP”	the 2015 Core Employee Stock Ownership Scheme of the Company approved on October 19, 2015
“First Class Meetings”	together, the First Domestic Share Class Meeting and the First H Share Class Meeting
“First Domestic Share Class Meeting”	the class meeting of holders of the Domestic Shares of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 22, 2018 at 11:00 a.m., or any adjournment thereof, to consider and, if thought fit, approve the proposals relating to the A Share Offering and the 2017 profit distribution plan
“First H Share Class Meeting”	the class meeting of holders of the H Shares of the Company to be held at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 22, 2018 at 11:30 a.m., or any adjournment thereof, to consider and, if thought fit, approve the proposals relating to the A Share Offering and the 2017 profit distribution plan
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Investment Projects”	Phase II and Phase III Capacity Expansion Projects of Yangtze Optical Fibre (Qianjiang) Co., Ltd. in relation to the industrialization of the self-produced preforms and the optical fibres, further details of which are set out in the feasibility analysis on the use of proceeds from the A Share Offering contained in the circular of the Company dated April 6, 2017
“Latest Practicable Date”	April 17, 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and/or H Shares
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Wuhan Ruihong”	Wuhan Ruihong Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿鴻管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is owned by certain selected employees of the Company under the ESOP
“Wuhan Ruiteng”	Wuhan Ruiteng Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿騰管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is owned by certain selected employees of the Company under the ESOP
“Wuhan Ruitu”	Wuhan Ruitu Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿圖管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is wholly and beneficially owned by five existing and past Directors and certain senior management members of the Company
“Wuhan Ruiyue”	Wuhan Ruiyue Management Consulting Partnership Enterprise (Limited Partnership) (武漢睿越管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, which is owned by certain selected employees of the Company under the ESOP
“Yangtze Communications”	Wuhan Yangtze Communications Industry Group Co., Ltd. (武漢長江通信產業集團股份有限公司), a company incorporated in the PRC, a Shareholder holding 17.58% of the total issued share capital of the Company as at the Latest Practicable Date and a connected person of the Company

LETTER FROM THE BOARD



Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

Executive Directors:

Mr. ZHUANG Dan
Mr. Frank Franciscus DORJEE

Non-executive Directors:

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

Registered Office:

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

Principal Place of Business in Hong Kong:

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

Independent Non-executive Directors:

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

April 20, 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSED EXTENSION OF THE EFFECTIVE PERIOD OF THE
RESOLUTION APPROVING THE A SHARE OFFERING**

**PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE
AUTHORIZATION GRANTED TO THE BOARD TO DEAL WITH ALL
MATTERS RELATING TO THE A SHARE OFFERING**

**PROPOSAL ON THE DILUTION OF IMMEDIATE RETURN AS A RESULT
OF THE A SHARE OFFERING AND REMEDIAL MEASURES**

AND

**SUPPLEMENTAL NOTICES OF THE AGM, THE FIRST DOMESTIC
SHARE CLASS MEETING AND THE FIRST H SHARE CLASS MEETING**

1. INTRODUCTION

References are made to the circular of the Company (“**Original Circular**”) and the notices of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting (“**Original**

** For identification purpose only*

LETTER FROM THE BOARD

Notices") dated April 6, 2018, which set out the time and venue of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting and contain the resolutions to be tabled before the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting (as the case may be) for approval by Shareholders. This supplemental circular should read together with the Original Circular.

The purpose of this supplemental circular is to provide you with, among other things, (i) information regarding the proposed extension of the effective period of the resolution approving the A Share Offering, (ii) information regarding the proposed extension of the validity period of the authorization granted to the Board relating to the A Share Offering, and (iii) information regarding the proposal on the dilution of immediate return as a result of the A Share Offering and the remedial measures and to set out the supplemental notices of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting. Save as set out in this supplemental circular, no changes have been made to matters in relation to the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting as set out in the Original Circular and the Original Notices.

2. PROPOSED EXTENSION OF THE EFFECTIVE PERIOD OF THE RESOLUTION APPROVING THE A SHARE OFFERING AND PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORIZATION GRANTED TO THE BOARD TO DEAL WITH ALL MATTERS RELATING TO THE A SHARE OFFERING

Reference is made to the announcements of the Company dated December 23, 2016, March 24, 2017, June 30, 2017 and April 2, 2018, and the circulars of the Company dated April 6, 2017 and May 5, 2017 in relation to, among other matters, the Company's proposed A Share Offering and related proposals.

At the extraordinary general meeting, the class meeting of the holders of H Shares, and the class meeting of the holders of Domestic Shares all held on May 23, 2017, the proposed A Share Offering and the related proposals were considered and approved. As resolved at such meetings, (i) the resolution approving the plan for the proposed A Share Offering shall be effective for a period of 12 months from the date on which the proposal on the application for the initial public offering and listing of the A Shares of the Company is considered and approved by the Shareholders at a general meeting, an H Share class meeting and a Domestic Share class meeting; and (ii) the resolution approving the grant of the authorization to the Board to deal with all matters in relation to the A Share Offering shall be valid for 12 months from the date of the passing of such resolution at an extraordinary general meeting, a Domestic Share class meeting and an H Share class meeting. Accordingly, both resolutions shall expire on May 22, 2018.

The Company has submitted its application in respect of the proposed A Share Offering to the CSRC, and an acceptance letter from the CSRC was received on June 30, 2017, according to which the CSRC had examined the application materials for administrative approval and decided to accept the application for further review and processing. The application of the A Share Offering is still in progress.

At a meeting of the Board held on March 23, 2018, it was resolved that the effective period of the resolution approving the plan for the proposed A Share Offering as well as the validity period of

LETTER FROM THE BOARD

the authorization granted to the Board to deal with all matters relating to the A Share Offering shall both be extended for a period of 12 months until May 21, 2019 as the Directors consider that it is in the interest of the Company and its Shareholders to continue with the proposed A Share Offering while the CSRC is in the process of reviewing the application of the Company and it is beneficial to the Company to allow sufficient time for the review process of the relevant PRC regulatory authorities to complete. These proposals shall be submitted to each of the AGM and the First Class Meetings for consideration and approval by way of a special resolution pursuant to Articles 60(10) and 90 of the existing Articles of Association, Rule 19A.38 of the Listing Rules as well as the other applicable PRC laws and regulations.

Save from the effective period as mentioned above, the plan for the proposed A Share Offering remains unchanged and the details of which are set out in Appendix I to this circular. The Company does not consider it necessary to revise or supplement the plan for the proposed A Share Offering because (i) there has not been any material change to the financial conditions or business operations of the Group; (ii) its funding requirements for the Investment Projects remain the same; and (iii) the plan for the proposed A Share Offering is under review by the relevant PRC regulatory authorities.

In compliance with the Listing Rules and the applicable PRC laws and regulations, the Company will make further announcement(s) on the proposed A Share Offering as and when appropriate and, in particular, when the detailed terms of the proposed A Share Offering, such as the issue price and issuance size, are finalized.

The proposed A Share Offering is subject to certain conditions, including but not limited to the market conditions, as well as the approvals of the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Company.

3. PROPOSAL ON THE DILUTION OF IMMEDIATE RETURN AS A RESULT OF THE A SHARE OFFERING AND REMEDIAL MEASURES

Pursuant to relevant PRC regulatory requirements including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors' Legitimate Interests in Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (Guo Ban Fa [2013] No. 110) and the Guiding Opinions on Matters Relating to the Dilution of Current Returns As a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (CSRC Announcement [2015] No. 31), in order to proceed with the A Share Offering, the Company shall make an analysis on the effects of the A Share Offering on current returns and formulate relevant remedial measures based on its operation characteristics.

Details of the proposal on the dilution of immediate return as a result of the A Share Offering and the remedial measures are set out in Appendix II to this circular.

LETTER FROM THE BOARD

This proposal has been approved by the Board, and shall be submitted to each of the AGM and the First Class Meetings for consideration and approval by way of a special resolution pursuant to Article 90 of the existing Articles of Association.

4. AGM, THE FIRST DOMESTIC SHARE CLASS MEETING AND/OR THE FIRST H SHARE CLASS MEETING

A supplemental notice of each of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting convening the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting, respectively, to be held as originally scheduled at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, May 22, 2018 at 10:00 a.m., 11:00 a.m. and 11:30 a.m., respectively, is set out on pages 21 to 23, pages 24 to 27 and pages 28 to 31 of this supplemental circular, respectively.

A supplemental proxy form for use at each of the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting in respect of the special resolutions to consider and approve the proposed extension of the effective period of the resolution approving the A Share Offering, the proposed extension of the validity period of the authorization granted to the Board to deal with all matters in relation to the A Share Offering, the proposal on the dilution of immediate return as a result of the A Share Offering is enclosed with this supplemental circular. The proxy forms issued by the Company for the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting along with the circular of the Company dated April 6, 2018 (the “**Original Proxy Forms**”) will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H Share registrar of the Company or the Company’s Board of Directors’ Office.

Shareholders entitled to attend and vote at the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting (as the case may be) may appoint one or more proxies to attend and vote in their stead. For the avoidance of doubt, should the proxies being appointed to attend the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting under each of the relevant Original Proxy Forms and the supplemental proxy forms for the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting (as the case may be) are different and more than one of the proxies attended the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting (as the case may be), only the proxy validly appointed under the relevant Original Proxy Forms shall be designated to vote at the AGM, the First Domestic Share Class Meeting and/or the First H Share Class Meeting (as the case may be).

Please refer to the Original Notices for details in respect of other resolutions to be passed at the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting, eligibility for attending the AGM, the First Domestic Share Class Meeting and the First H Share Class Meeting, proxy, registration procedures, closure of register of members and other relevant matters.

5. RECOMMENDATION

The Board considers that the proposed extension of the effective period of the resolution approving the A Share Offering, the proposed extension of the validity period of the authorization

LETTER FROM THE BOARD

granted to the Board to deal with all matters in relation to the A Share Offering and the proposal on the dilution of immediate return as a result of the A Share Offering are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant special resolutions to be proposed at the AGM and the First Class Meetings.

6. FURTHER INFORMATION

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

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

* For identification purpose only

Details of the proposed A Share Offering are set out below:

A. Plan for the proposed A Share Offering

- Class of shares : Domestic listed RMB-denominated ordinary shares (A Shares)
- Par value of shares : RMB1.00
- Number of shares to be issued : Not more than 75,790,510 RMB-denominated ordinary shares (A Shares). The final number of shares to be issued will be determined by the Board in accordance with the authorization from general meetings of Shareholders, upon consultation with the sponsor(s) (the lead underwriter(s)) and taking into consideration the relevant laws and regulations and market conditions. Corresponding adjustment will be made to the number of A Shares to be issued pursuant to the A Share Offering upon occurrence of ex-rights events such as bonus issue and capitalization issue.

The aforementioned issuance size is determined based on a number of factors including the current shareholding structure of the Company, the funding needs of the target investment projects which are to be funded from the proceeds of the A Share Offering, the estimated operating performance of the Company by the time of the offering and the valuations as obtained from the capital markets. The A Share Offering involves only issue of new Shares but not any transfer of any existing Shares by the existing Shareholders to the investors.

- Target subscribers : Investors who satisfy relevant qualification requirements in the price consultation process, and domestic natural persons, legal persons and other institutional investors which have maintained RMB-denominated ordinary shares (A shares) securities accounts with the Shanghai branch of the China Securities Depository and Clearing Co., Ltd. (excluding those prohibited by the relevant PRC laws, administrative regulations, departmental rules, regulatory documents, and other regulatory requirements applicable to the Company).

The Company and the lead underwriter(s) will strictly comply with the requirements under relevant laws and regulations such as the Securities Law of the People's Republic of China and the Measures for the Administration of the Offering and Underwriting of Securities when conducting the placement of Shares offline, and ascertain if any target subscriber on the one hand and the Company and the lead underwriter(s) on the other are connected to one another and whether the target subscribers comply with relevant compliance requirements, so as to ensure that the target subscribers of the A Share Offering comply with the relevant requirements of the CSRC and the listing rules of the Shanghai Stock Exchange.

Method of issuance : A combination of placing by way of price consultation with target subscribers (“**Enquired Persons**”) offline and online application based on market capitalization, or other methods approved by regulatory authorities such as the CSRC.

Pricing methodology : The issue price of the A Shares under the A Share Offering will be determined through price consultation with Enquired Persons offline or other legally permissible methods such as direct pricing by way of negotiations between the Board (as authorized at general meetings of Shareholders) and the lead underwriter(s), taking into account the conditions of the capital markets and the actual conditions of the Company at the time of the issuance.

According to relevant provisions of the Company Law of the People’s Republic of China, shares may be issued at a price equal to or in excess of the par value of the shares, but may not be issued below the par value of the shares. As the par value of the A Shares proposed to be issued by the Company under the A Share Offering is RMB1.00, the issue price of the A Shares will not be lower than RMB1.00 per Share. Subject to the aforementioned requirement, no minimum issue price has been set for the proposed A Share Offering.

When determining the actual issue price of the A Shares, the Company will take into consideration the following factors: (i) the Company’s financial results, (ii) the average price-to-earnings ratio of other A share listed companies which operate in the same industry as the Company; (iii) market conditions; (iv) the trading price of the H Shares; (v) requirements under relevant laws and regulations; and (vi) rules and policies of relevant regulatory authorities.

In the event that the proposed issue price of the A Shares does not reflect the actual value of the Company or is lower than the trading price of the H Shares, the Board will consider the prevailing market conditions, the actual funding needs and development strategy of the Company at the time, the trading multiples of comparable companies at the time and other relevant factors in order to determine whether or not to proceed with the proposed A Share Offering.

Form of Underwriting : The offering will be underwritten by an underwriting syndicate led by the lead underwriter(s) who commits to underwrite all unsubscribed A Shares. There will not be any sub-underwriting arrangements.

Place of listing : Shanghai Stock Exchange.

- Use of proceeds : The proceeds from the A Share Offering, after deducting listing expenses, are to be used for the upgrading of industrial scale, improvement of technologies and purchase of equipment, replenishment of working capital, and repayment of bank loans. If the actual net proceeds from the A Share Offering, after deducting listing expenses, are insufficient for carrying out the investment sums required for the aforementioned uses, the Company will meet the funding needs by its own funds or through obtaining bank loans. Before the proceeds from the A Share Offering are made available to the Company, the Company may facilitate the implementation of the aforementioned investments by using its own funds or through obtaining bank loans in accordance with the actual progress of the respective investments. When the proceeds from the A Share Offering are made available, the proceeds will be used to replace the Company's self-funded capital which has been used for the aforementioned investments and to repay the relevant bank loans.
- Conversion of the Company : The Company will apply for conversion into a joint stock company with limited liability with both domestic and overseas-listed Shares.
- Effective period of the resolution : 12 months from the date on which the proposal on the application for the initial public offering and listing of the A Shares of the Company is considered and approved by the Shareholders at a general meeting, an H Share class meeting and a Domestic Share class meeting.
- Upon obtaining approval at the AGM and the First Class Meetings, the effective period will be extended for a period of 12 months until May 21, 2019.

As advised by the PRC legal counsels to the Company, subject to relevant policies and directions on the supervision of state-owned assets, the A Share issue price of the Company may not be less than the latest audited net asset value per Share prior to the A Share Offering; moreover, under the relevant PRC laws and regulations in effect, there is no restriction on the actual issue price of the A Shares to be issued under the A Share Offering, subject to the regulatory opinions which may be provided by the relevant regulatory authorities from time to time during the application process. For reference only, as at December 31, 2017, the audited net asset value per Share of the Company based on the Company's consolidated financial statements which have been prepared in accordance with the China Accounting Standards for Business Enterprises is RMB7.68.

It is expected that none of the target subscribers of the A Share Offering is or will become a connected person of the Company. If any of the target subscribers of the A Share Offering is or will become a connected person of the Company, the Company will take every reasonable step to comply with the relevant requirements under the Listing Rules as well as the applicable PRC laws and regulations. In particular, for the purpose of ensuring compliance with the public float requirements under the Listing Rules, the Company undertakes that not less than 10% of the total number of the A Shares to be offered under the proposed A Share Offering will only be offered for subscription by target subscribers who are third parties independent of the Company and its connected persons.

As at the Latest Practicable Date, the Company has not identified or appointed any lead or participating underwriter. The Company will ensure that any lead or participating underwriter(s) to be appointed would be a third party independent of the Company and its connected persons. Also, the Company has not been in negotiation with any parties of the underwriting agreement, which will be entered into between the Company and the lead or participating underwriters after the necessary approvals from the relevant regulatory authorities for the A Share Offering have been obtained. Further details of the underwriting agreement (including the basis of underwriting commission), when entered into, will be disclosed by the Company by way of further announcement(s). Pursuant to Article 32 of the Securities Law of the People's Republic of China, securities to be offered to the public with a total face value exceeding RMB50 million shall be underwritten by an underwriting syndicate which shall be composed of a securities company/securities companies acting as the lead underwriter(s) and securities companies acting as participating underwriters. As stated in the plan for the proposed A Share Offering set out above and in compliance with the abovementioned PRC legal requirements, the proposed A Share Offering will be underwritten by an underwriting syndicate.

B. Reasons for and benefits of the A Share Offering

The Directors consider that the proposed A Share Offering will provide additional capital to support its future development plans (including the Investment Projects); increase the liquidity of the Shares held by holders of the Domestic Shares; and significantly enhance the corporate image and brand awareness of the Company, which together, will raise the overall competitiveness of the Company and strengthen the capability of the Company in terms of sustainable development.

The Directors consider that the proposed A Share Offering is in the interests of the Company and the Shareholders as a whole.

C. Public float

As at the Latest Practicable Date, based on the publicly available information and to the best of the Directors' knowledge, approximately 25.10% of the total issued Shares are held by the public, and the Company has maintained a public float above the minimum requirements as prescribed in the Listing Rules. As a result of the proposed A Share Offering, the Company's public float (including H Shares and A Shares) will be approximately 34.55% (assuming an aggregate of 75,790,510 A Shares are issued, there are no other changes to the issued share capital of the Company before completion of the A Share Offering. The Company undertakes that it will continue to comply with the public float requirement as prescribed in the Listing Rules during the application process and after completion of the A Share Offering.

D. Effect of the proposed A Share Offering on the shareholding structure of the Company

The Company has been advised by its PRC counsel that according to the relevant PRC laws and regulations in force and the relevant requirements of the CSRC and the Shanghai Stock Exchange, the Domestic Shares in issue before the A Share Offering will all be converted into tradeable A Shares upon completion of the A Share Offering. Except for the lock up requirements under the relevant laws and regulations, such converted A Shares shall rank *pari passu* with the A Shares to be issued under the A Share Offering.

APPENDIX I**PLAN FOR THE PROPOSED A SHARE OFFERING**

For reference and illustration purposes only, assuming that an aggregate of 75,790,510 A Shares will be issued under the A Share Offering and no other changes to the issued share capital of the Company between the Latest Practicable Date and immediately upon completion of the A Share Offering, the shareholding structures of the Company as at the Latest Practicable Date and immediately upon completion of the A Share Offering are set out as follows:

	As at the Latest Practicable Date		Immediately after completion of the A Share Offering	
	Number of Shares	%	Number of Shares	%
Non-public Shareholders				
- Domestic Shares				
- China Huaxin	179,827,794	26.37	—	—
- Yangtze Communications	119,937,010	17.58	—	—
- Wuhan Ruitu	15,900,000	2.33	—	—
- Wuhan Ruiteng	9,095,000	1.33	—	—
- Wuhan Ruihong	3,413,000	0.50	—	—
- Wuhan Ruiyue	2,375,000	0.35	—	—
	<u>330,547,804</u>	<u>48.46</u>	<u>—</u>	<u>—</u>
- H Shares				
- Draka	179,827,794	26.37	179,827,794	23.73
- Mr. Frank Franciscus Dorjee ⁽¹⁾	500,000	0.07	500,000	0.07
	<u>180,327,794</u>	<u>26.44</u>	<u>180,327,794</u>	<u>23.80</u>
- A Shares ⁽²⁾	—	—	315,664,804	41.65
Public Shareholders				
- A Shares to be issued under the A Share Offering	—	—	75,790,510	10.00
- A Shares ⁽³⁾	—	—	14,883,000	1.96
- H Shares	171,239,000	25.10	171,239,000	22.59
Total	<u>682,114,598</u>	<u>100.00</u>	<u>757,905,108</u>	<u>100.00</u>

Notes:

- (1) Mr. Frank Franciscus Dorjee is an executive Director and a connected person of the Company.
- (2) Include the 179,827,794 A Shares and the 119,937,010 A Shares to be respectively held by China Huaxin and Yangtze Communications, both of them being substantial shareholders (as defined under the Listing Rules) of the Company, and the 15,900,000 A Shares to be held by Wuhan Ruitu, a limited partnership owned by the connected persons of the Company.
- (3) Represent the 14,883,000 A Shares to be held by the limited partnerships established and owned by certain selected employees under the ESOP, namely Wuhan Ruiteng, Wuhan Ruihong and Wuhan Ruiyue.

E. Fund raising in the past twelve months

The Company has not conducted any fund raising activities involving the issue of equity within the 12 months immediately prior to the Latest Practicable Date.

Except for the proposed registration and issuance of short to medium-term debt financing instruments, details of which were disclosed in the announcement of the Company dated December 23, 2016 and the circular of the Company dated January 9, 2017, as at the Latest Practicable Date, the Company does not have any other concrete plans to conduct any fund raising activity involving the issue of equity (apart from the proposed A Share Offering) in the next 12 months from the Latest Practicable Date.

The English version of the contents in this Appendix is an unofficial translation of its Chinese version. In case of any inconsistency, the Chinese version shall prevail.

I. Effect of the A Share Offering on the Dilution of Immediate Return of the Company

The total share capital of the Company prior to the A Share Offering is 682,114,598 shares. In accordance with the announced offering plan, the number of shares to be issued would not exceed 75,790,510 shares, and the total share capital after the A Share Offering would increase to 757,905,108 shares.

After the proceeds from the A Share Offering become available, the total share capital and the net assets of the Company shall increase accordingly. However, it would take a certain time for the proceeds to generate return after investment, and the investment projects would require a certain period before they realize investment return. Therefore, there exists the risk of dilution of the Company's basic earnings per share and diluted earnings per share of the year after the A Share Offering.

However, in the longer term, the increase in share capital as a result of the A Share Offering will contribute to the Company's business expansion, and further improve the Company's scale of business and profitability. The Company will actively take various measures to raise the efficiency of the use of capital, so as to generate a good profit.

II. Specific Remedial Measures Proposed to be taken by the Company according to its Business Characteristics

In light of the possible dilution of immediate return of the Shareholders upon the A Share Offering, the Company will take the following remedial measures to make effective use of the proceeds raised from the A Share Offering and further enhance the operation efficiency of the Company, so as to reduce its operation costs and provide adequate protection for the interests of the Shareholders, particularly minority Shareholders, and put an emphasis on medium-term and long-term return value.

1. *The operation status and development trend of the Company's existing business segments, the major risks and corresponding improvement measures*

(1) *The operation status and development trend of the Company's existing business segments*

The Company's current business segments principally comprise the businesses of optical fibre preforms, optical fibres and optical fibre cables. Driven by global and domestic informatization, demand for optical fibre preform, optical fibre and optical fibre cable continues to be strong, and the industry will continue to show an upward trend. With advanced production technologies, strong capacity of supply support, and outstanding marketing ability, the Company has achieved excellent operating performance in the last 5 years. In 2017, operation revenue of the Company reached RMB10.366 billion, with a compound growth rate of 24.04% between 2015

and 2017. In 2017, net profits of the Parent Company reached RMB1.268 billion, with a compound growth rate of 50.06% between 2015 and 2017. After years of development, the Company has become a leading optical fibre preform, optical fibre and optical fibre cable supplier in the world and has advantage abilities in several aspects:

- (a) **Technical strength.** The Company is one of the few manufacturers that has obtained all three commonly used core techniques (i.e. PCVD, OVD and VAD) for the production of optical fibre preforms, optical fibre and the upstream manufacturing process of optical fibre preforms for optical fibre cable. The Company has the only one national key laboratory in the industry and a research and development team consisting of several technical experts, who first invented several products in the same domestic industry.
- (b) **Marketing ability.** The Company has been focusing on the domestic market and has established a long-term and stable supply relationship with China Mobile, China Telecom, and China Unicom, therefore establishing a sales network covering all provinces of China. The Company has been constantly exploring the overseas market and has established several overseas sales offices and overseas sales company, therefore obtaining leading global-localization marketing and servicing ability in the industry.
- (c) **Manufacturing capacity.** The Company has created its advantage in production capacity of optical fibre preform, optical fibre and optical fibre cable, particularly in production capacity of its core products, i.e. optical fibre preform. Meanwhile, the Company constantly expands its business to upstream core raw materials, so as to reinforce its capacity of supply support and cost advantages.
- (d) **Management ability.** The Company has a management team of rich industrial experience and outstanding management ability and has constructed a merit-based and responsive corporate culture.

In the future, motivated by continuous global attention to information construction and continuous implementation of the “Broadband China”, it is predicted that the construction of communication network will maintain at a large scale, and demand for optical fibre preforms, optical fibre and optical fibre cables will continue to be strong. With the favorable market environment, the Company will make full use of its advantages and catch the market opportunities in the future, in order to realize rapid development in its business segments of optical fibre preforms, optical fibre and optical fibre cable.

(2) *Major risks of the Company's business and improvement measures*

(a) High level of client concentration and relatively low bargaining power

Major clients of the Company include China Mobile, China Telecom, and China Unicom. As a result, the Company is faced with a risk of market fluctuation, and its bargaining power is low, in light of which the Company is actively implementing a diversification strategy, including development of specially optical fibre products, network engineering consultation and services, exploration of non-telecommunications network operator market, such as broadcasting or electric power market, and expansion of customer resources of other lines of business. Meanwhile, the Company is also actively implementing an internationalization strategy and increasing the volume of international sales.

(b) Increase in costs such as labor costs and raw material costs

The Company is actively implementing the policy of "Made in China 2025", exploring and applying to manufacture technologies of auto-manufacture of optical fibre preforms, optical fibre and optical fibre cable, and keeping paying efforts to improve its productivity.

(c) Small number of suppliers of raw materials

The Company's suppliers of solid core rods that are required for manufacture of optical fibre preforms by utilizing PCVD production process are limited, which restricts the Company's development to certain extent. Therefore the Company has researched and obtained the VAD and OVD production process for manufacture of optical fibre preforms and gradually improves the production capacity of them, so as to reduce its reliance on solid core rods required for manufacture of optical fibre preforms by utilizing PCVD production process. In addition, the Company has ensured the sustainable and stable supply of raw materials by establishment of long term supply agreements and a good strategic partnership with its suppliers.

2. *Specific measures to enhance daily operating efficiency and lower operating cost of the Company in order to improve the results of operation*

In order to ensure that the proceeds will be used efficiently, to avoid the risk of dilution of immediate return of the Shareholders and to improve the ability to consistent returns, after the A Share Offering, the Company will (i) improve the Company's core competitiveness through actively implementation of the Company's development strategy, (ii) maximize efficiency through safeguarding the progress of the investment projects, (iii) ensure legitimate and reasonable use of the proceeds raised from the A Share Offering through strengthen of proceeds management, (iv) improve profitability through reducing the financial expenses, (v) improve the Company's sustainability through educating and training of personnel, (vi) establish institutional guarantee for development of the Company through further improvement of corporate governance, and (vii) strictly enforce the

profit distribution policy and improve the investor reward system, in order to reduce the impact of the dilution of immediate return of the Shareholders as a result of the A Share Offering. The Company will take specific measures as follows:

(1) *Implementing development strategy and enhance core competitiveness*

In the future, the Company would stick to its mission “Smart link, Better Life”, closely follow the thirteenth national five year plan, actively promote and implement the development strategy, and strive to become a leader in information transmission and smart links. The Company will strengthen its global leading position in terms of output, sales and innovation, and continue to create value by realizing the strategic goal of an integrated and leap-forward growth of telecom, specialty products, services, materials and application business.

The Company views the A Share Offering and the listing as an opportunity to focus more on the market demands, expand our main businesses, and to secure the organic growth of our preform, fibre and cable businesses. In the meantime, from the perspective of various products, the Company will emphasize four main directions (i.e. telecom products, specialty products, services, and material and application products). The Company will also invest more in the R&D and self-development to improve its innovation and auto-manufacture capability and provide differentiated products for various customers. From the perspective of regional markets, the Company plans to solidify and expand the current domestic market share, and utilize the capital market to explore global markets. From the perspective of the industry chain, the Company will extend to the upstream and downstream, expand materials fields and develop synthetic materials business to look for new sources of growth and increase the Company’s profitability and competitiveness.

(2) *Safeguarding the investment progress and maximizing efficiency*

The proceeds raised from the A Share Offering will mainly be used to strengthen the core business of the Company, which has bright prospects and economic benefits, in compliance with the relevant national industry policies and the direction of the Company’s overall development strategy. Before the proceeds raised from the A Share Offering are available, so as to meet the requirement of business development and seize the market opportunities, the Company will use its self-raised fund to invest into the investment projects. After the aforesaid proceeds become available, the Company will strive to safeguard the progress of the implementation of the investment projects. As the Company has good technical reserves, production conditions and marketing development basis, the successful implementation of the investment projects and the full realization of benefit will help remedy the dilution of immediate return as a result of the A Share Offering, which is in line with the Shareholders’ long-term interests.

(3) *Strengthening the management of the proceeds and ensure legitimate and reasonable use thereof*

To standardize the use and management of the proceeds after the A Share Offering and ensure the compliance, safety and efficiency of the use of proceeds, the Company has formulated the Administrative Measures of Use of Proceeds in accordance with the laws, administrative regulations, departmental rules and normative documents, including Company Law of the People's Republic of China (the "**Company Law**"), Securities Law of the People's Republic of China (the "**Securities Law**"), Guidelines for the Supervision and Administration on Listed Companies No. 2 - Supervision and Administration Requirements for Listed Companies on the Management and Use of Raised Funds, Listing Rules of the Shanghai Stock Exchange, and Measures for the Management of Raised Funds of Listed Companies on the Shanghai Stock Exchange. Upon receipt of the proceeds from the A Share Offering, the Company will comply with the requirements of the Administrative Measures of Use of Proceeds by entering into a three-party supervision agreement with the sponsor and the commercial bank in which the proceeds are deposited, and deposit the proceeds in the special account approved by the Board in a timely manner. While using the proceeds, the Company will strictly implement the application and approval procedures and establish accounts to record the outgoing of proceeds and the input into investment projects, so as to ensure that the proceeds is used for the specific purposes.

(4) *Reducing financial expenses of the Company and increasing profitability*

The Company proposed to use part of the proceeds on replenishment of working capital and repayment of bank loans, so as to further improve the asset structure and financial condition of the Company. The Company will fully utilize such funds to support the daily operation of the Company, raise the efficiency of the use of capital, and reduce bank loans and financial expenses so as to improve the overall profitability of the Company.

(5) *Educating and training of personnel and enhance the Company's sustainability*

The Company has fully realized that skilled personnel plays a key role in the impletion and completion of technical innovation, and the technological competition might be deemed to be a battle for intelligent. Therefore, the Company will continually employ skilled personnel on the one hand, and improve the knowledge and skills of existing personnel by training and education on the other hand. The Company will also improve the quality of personnel, optimize the structure of personnel and enhance the Company's sustainability by providing separate promotion mechanism for management members and technology staffs to improve the incentive mechanism.

(6) *Establishing institutional guarantee for development of the Company through further improvement of corporate governance*

The Company will strictly comply with the Company Law, the Securities Law and other laws, regulations and normative documents and enhance the corporate governance structure accordingly. The Company has set up a framework for corporate governance, consisting of the Shareholders' meeting, the board of directors' meeting, the supervisory board meeting and senior management members, and expressly provided the rights and obligations of authority body, decision-making body, supervisory body and management team of the Company, which provides institutional guarantee to the Company's corporate governance. In the future, the Company will continually focus on formulation and implementation of internal control rules and regulations, so as to ensure the production and operation, enhance operational efficiency and reduce financial risks of the Company. The Company will continually enhance its management ability and improve its operational efficiency and profitability by setting up an effective cost and expense assessment system to control the budget, purchase, manufacture and sales.

(7) *Strictly implementing the profit distribution policy and strengthening the mechanism of protection of investors' return*

For the purpose of the A Share Offering, the Company has made amendments to the Articles of Association of Yangtze Optical Fibre and Cable Joint Stock Limited Company (hereinafter referred to as the "**Articles of Association**") in respect of (among others) the provisions on profit distribution in accordance with the requirements of the CSRC, such as Circular on Further Settling the Issues Concerning the Payment of Cash Dividends by Listed Companies and No.3 Guideline for the Supervision of Listed Companies - Cash Dividends of Listed Companies. The foresaid amendments help further determine the form of profit distribution, decision-making process, conditions for cash dividends and stock dividends, and the minimum dividend payout ratio.

In order to determine the returns to new and existing Shareholders after the A Share Offering, refine the provision in the Articles of Association in respect of the profit distribution and enhance the visibility and practicality of the profit distribution decision, the Company has formulated the Future Dividend Plan for the Three Years after the A Share Offering (2017-2019).

The Company will strictly implement the profit distribution policy stipulated in the Articles of Association, and continue creating long-term value for the Shareholders and protecting the legitimate interests of the Shareholders by formulating rational dividend plans.

The improvement measures corresponding to the major risks faced by the Company and the remedial measures for recovering the dilution of immediate return as a result of the A Share Offering formulated by the Company shall not be deemed as a guarantee on the future profits.

SUPPLEMENTAL NOTICE OF THE AGM



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)

SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2017

References are made to the circular of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (the “**Company**”) and the notice of the annual general meeting of the Company for the year 2017 to be held on Tuesday, May 22, 2018 (the “**AGM**”) dated April 6, 2018 (the “**Original AGM Notice**”), which set out the time and venue of the AGM and contain the resolutions to be tabled before the AGM for shareholders’ approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled on Tuesday, May 22, 2018 at 10:00 a.m. at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions, in addition to the resolutions set out in the Original Notice:

SPECIAL RESOLUTIONS

9. To consider and approve the extension of the effective period of the resolution approving the A Share Offering.
10. **“THAT:**
 - (a) the Board be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:
 - (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;
 - (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;

** For identification purpose only*

SUPPLEMENTAL NOTICE OF THE AGM

- (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
 - (4) adjust the plan for the Investment Projects and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
 - (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;
 - (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
 - (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
 - (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
 - (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock-up of relevant shares;
 - (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
 - (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering.
- (b) upon the passing of the resolution to grant the aforesaid authorization at the general meeting of the Company, the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited

SUPPLEMENTAL NOTICE OF THE AGM

to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months until May 21, 2019.”

11. To consider and approve the proposal on the dilution of immediate return as a result of the A Share Offering and remedial measures as set out in Appendix II to the circular of the Company dated April 20, 2018.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 20, 2018

Notes:

- (1) Details of the above proposals and resolutions to be considered at the AGM are set out in the supplemental circular of the Company dated April 20, 2018 (the “**Supplemental Circular**”). Unless otherwise defined in this supplemental notice of the AGM, capitalised terms used in this supplemental notice of the AGM shall have the same meanings as those defined in the Supplemental Circular.
- (2) A supplemental proxy form for the AGM (the “**Supplemental AGM Proxy Form**”) containing the resolutions numbered 9 to 11 mentioned above is enclosed with this Supplemental Circular. The proxy form issued by the Company along with the circular of the Company dated April 6, 2018 (the “**Original AGM Proxy Form**”) will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H Share registrar of the Company or the Company’s Board of Directors’ Office.
- (3) If you intend to appoint a proxy to attend the AGM, you are requested to complete and return the accompanying Supplemental AGM Proxy Form in accordance with the instructions printed thereon. To be valid, the Supplemental AGM Proxy Form together with the power of attorney or other authorization document (if any) must be lodged at the H Share registrar of the Company for holder of H Shares and to the Company’s Board of Directors’ Office for holder of Domestic Shares of the Company by hand or by post not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 10:00 a.m. on Monday, May 21, 2018) or any adjournment thereof (as the case may be). Completion and return of the Supplemental AGM 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 Tricolor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. The Company’s Board of Directors’ Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073). References to time and dates in this notice are to Hong Kong time and dates.
- (4) Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in their stead. For the avoidance of doubt, should the proxies being appointed to attend the AGM under each of the Original AGM Proxy Form and the Supplemental AGM Proxy Form are different and more than one of the proxies attended the AGM, only the proxy validly appointed under the Original Proxy Form shall be designated to vote at the AGM.
- (5) Please refer to the Original AGM Notice for details in respect of other resolutions to be passed at the AGM, eligibility for attending the AGM, proxy, registration procedures, closure of register of members and other relevant matters.

SUPPLEMENTAL NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING



Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

SUPPLEMENTAL NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

References are made to the circular of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (the “**Company**”) and the notice of the domestic share class meeting of the Company to be held on Tuesday, May 22, 2018 (the “**First Domestic Share Class Meeting**”) dated April 6, 2018 (the “**Original Domestic Share Class Meeting Notice**”), which set out the time and venue of the First Domestic Share Class Meeting and contain the resolution to be tabled before the First Domestic Share Class Meeting for approval by holders of domestic shares of the Company.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the First Domestic Share Class Meeting will be held as originally scheduled on Tuesday, May 22, 2018 at 11:00 a.m. or immediately after the AGM at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions, in addition to the resolutions set out in the Original Domestic Share Class Meeting Notice:

SPECIAL RESOLUTIONS

2. To consider and approve the extension of the effective period of the resolution approving the A Share Offering.
3. “**THAT:**
 - (a) the Board be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:
 - (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;

* For identification purpose only

SUPPLEMENTAL NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

- (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;
- (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
- (4) adjust the plan for the Investment Projects and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
- (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;
- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
- (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
- (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
- (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock-up of relevant shares;
- (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
- (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering.

SUPPLEMENTAL NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

- (b) upon the passing of the resolution to grant the aforesaid authorization at the general meeting of the Company, the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months until May 21, 2019.”

4. To consider and approve the proposal on the dilution of immediate return as a result of the A Share Offering and remedial measures as set out in Appendix II to the circular of the Company dated April 20, 2018.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 20, 2018

Notes:

- (1) Details of the above proposals and resolutions to be considered at the First Domestic Share Class Meeting are set out in the supplemental circular of the Company dated April 20, 2018 (the “**Supplemental Circular**”). Unless otherwise defined in this supplemental notice of the First Domestic Share Class Meeting, capitalised terms used in this supplemental notice of the First Domestic Share Class Meeting shall have the same meanings as those defined in the Supplemental Circular.
- (2) A supplemental proxy form for use at the First Domestic Share Class Meeting (the “**Supplemental Domestic Share Class Meeting Proxy Form**”) containing the resolutions numbered 2 to 4 mentioned above is enclosed with this Supplemental Circular. The proxy form issued by the Company along with the circular of the Company dated April 6, 2018 (the “**Original Domestic Share Class Meeting Proxy Form**”) will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the Company’s Board of Directors’ Office.
- (3) If you intend to appoint a proxy to attend the First Domestic Share Class Meeting, you are requested to complete and return the accompanying Supplemental Domestic Share Class Meeting Proxy Form in accordance with the instructions printed thereon. To be valid, the Supplemental Domestic Share Class Meeting Proxy Form together with the power of attorney or other authorization document (if any) must be lodged at the Company’s Board of Directors’ Office by hand or by post not less than 24 hours before the time fixed for holding the First Domestic Share Class Meeting (i.e. not later than 11:00 a.m. on Monday, May 21, 2018) or any adjournment thereof (as the case may be). Completion and return of the Supplemental Domestic Share Class Meeting Proxy Form will not preclude a shareholder from attending and voting in person at the First Domestic Share Class Meeting if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The Company’s Board of Directors’ Office is located at No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC (Postal code: 430073). References to time and dates in this notice are to Hong Kong time and dates.

SUPPLEMENTAL NOTICE OF THE FIRST DOMESTIC SHARE CLASS MEETING

- (4) Shareholders entitled to attend and vote at the First Domestic Share Class Meeting may appoint one or more proxies to attend and vote in their stead. For the avoidance of doubt, should the proxies being appointed to attend the First Domestic Share Class Meeting under each of the Original Domestic Share Class Meeting Proxy Form and the Supplemental Domestic Share Class Meeting Proxy Form are different and more than one of the proxies attended the First Domestic Share Class Meeting, only the proxy validly appointed under the Original Domestic Share Class Meeting Proxy Form shall be designated to vote at the First Domestic Share Class Meeting.

- (5) Please refer to the Original Domestic Share Class Meeting Notice for details in respect of other resolution to be passed at the First Domestic Share Class Meeting, eligibility for attending the First Domestic Share Class Meeting, proxy, registration procedures, closure of register of members and other relevant matters.

SUPPLEMENTAL NOTICE OF THE FIRST H SHARE CLASS MEETING



Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

SUPPLEMENTAL NOTICE OF THE FIRST H SHARE CLASS MEETING

References are made to the circular of Yangtze Optical Fibre and Cable Joint Stock Limited Company* (the “**Company**”) and the notice of the H share class meeting of the Company to be held on Tuesday, May 22, 2018 (the “**First H Share Class Meeting**”) dated April 6, 2018 (the “**Original H Share Class Meeting Notice**”), which set out the time and venue of the First H Share Class Meeting and contain the resolution to be tabled before the First H Share Class Meeting for approval by holders of H shares of the Company.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the First H Share Class Meeting will be held as originally scheduled on Tuesday, May 22, 2018 at 11:30 a.m. or immediately after the First Domestic Share Class Meeting at Multi-Media Meeting Room, 201# Building, No. 9 Guanggu Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province, PRC, for the purposes of considering and if thought fit, passing the following resolutions, in addition to the resolutions set out in the Original H Share Class Meeting Notice:

SPECIAL RESOLUTIONS

2. To consider and approve the extension of the effective period of the resolution approving the A Share Offering.
3. “**THAT:**
 - (a) the Board be authorized to deal with, in its absolute discretion, all matters in relation to the A Share Offering, including but not limited to:
 - (1) in accordance with the plan for the A Share Offering as considered and approved by the Shareholders in general meeting and pursuant to the relevant requirements of PRC laws, administrative regulations, departmental rules, normative documents and securities regulatory authorities of the PRC and the actual circumstances, implement the plan for the A Share Offering, including but not limited to, determining the offering date, the target subscribers, offer size, pricing methodology, offer price, ratio of online to offline placement, application methods for subscriptions and other matters relating to the A Share Offering;
 - (2) handle all application matters in relation to the A Share Offering, including but not limited to dealing with the relevant government agencies, regulatory authorities, stock exchanges and securities registration and settlement institutions for relevant vetting, registration, filing and approval procedures;

* For identification purpose only

SUPPLEMENTAL NOTICE OF THE FIRST H SHARE CLASS MEETING

- (3) prepare, sign, execute, modify, supplement and submit any agreements, contracts and necessary documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, prospectus, agreement with the sponsor(s), underwriting agreement, listing agreement and various announcements, shareholder notices and various explanatory circulars or letters of undertaking required by regulatory authorities;
- (4) adjust the plan for the Investment Projects and the proposed use of proceeds, in accordance with any comments from regulatory authorities during the application and vetting process of the proposed A Share Offering and the actual circumstances of the Company, including but not limited to, the adjustment of the investment progress and investment allocation ratios, and the signing of material agreements or contracts during the construction process of the Investment Projects;
- (5) determine and engage relevant intermediaries, determine their remuneration and sign relevant agreements or contracts, such as the agreement with the sponsor(s) and underwriting agreement;
- (6) determine the designated account for the deposit of proceeds raised prior to the A Share Offering if necessary;
- (7) handle the relevant procedures in relation to the transfer of state-owned shares in accordance with relevant laws and regulations;
- (8) upon the completion of the A Share Offering, amend the relevant provisions of the Company's articles of association according to the outcome of the A Share Offering and deal with the registration of the relevant amendments with industry and commerce authorities;
- (9) upon the completion of the A Share Offering, handle matters relating to the listing of the shares issued under the A Share Offering on the stock exchange and the lock-up of relevant shares;
- (10) where securities regulatory authorities prescribe new requirements in regulations or policies governing initial public offerings and listings, the Board be authorized to adjust the plan for the A Share Offering accordingly; and
- (11) in accordance with relevant laws, regulations, departmental rules, regulatory documents, relevant provisions of the Company's articles of association and the contents of the resolutions passed by Shareholders, determine and deal with all other matters in relation to the A Share Offering.

SUPPLEMENTAL NOTICE OF THE FIRST H SHARE CLASS MEETING

- (b) upon the passing of the resolution to grant the aforesaid authorization at the general meeting of the Company, the chairman of the Board or any executive Director be authorized to sign any legal documents in relation to the A Share Offering, including but not limited to the letter of intent in relation to the A Share Offering, the prospectus, letters of undertaking, agreement(s) with the sponsor(s), the underwriting agreement, the listing agreement, engagement or appointment letters of various intermediaries, and various announcements and shareholder notices.

The above authorization shall be valid for 12 months until May 21, 2019.”

4. To consider and approve the proposal on the dilution of immediate return as a result of the A Share Offering and remedial measures as set out in Appendix II to the circular of the Company dated April 20, 2018.

By Order of the Board
Yangtze Optical Fibre and Cable Joint Stock Limited Company*
長飛光纖光纜股份有限公司
Ma Jie
Chairman

Wuhan, PRC, April 20, 2018

Notes:

- (1) Details of the above proposals and resolutions to be considered at the First H Share Class Meeting are set out in the supplemental circular of the Company dated April 20, 2018 (the “**Supplemental Circular**”). Unless otherwise defined in this supplemental notice of the First H Share Class Meeting, capitalised terms used in this supplemental notice of the First H Share Class Meeting shall have the same meanings as those defined in the Supplemental Circular.
- (2) A supplemental proxy form for use at the First H Share Class Meeting (the “**Supplemental H Share Class Meeting Proxy Form**”) containing the resolutions numbered 2 to 4 mentioned above is enclosed with this Supplemental Circular. The proxy form issued by the Company along with the circular of the Company dated April 6, 2018 (the “**Original H Share Class Meeting Proxy Form**”) will remain valid and effective to the fullest extent applicable if correctly completed and lodged with the H Share registrar of the Company.
- (3) If you intend to appoint a proxy to attend the First H Share Class Meeting, you are requested to complete and return the accompanying Supplemental H Share Class Meeting Proxy Form in accordance with the instructions printed thereon. To be valid, the Supplemental H Share Class Meeting 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 hand or by post not less than 24 hours before the time fixed for holding the First H Share Class Meeting (i.e. not later than 11:30 a.m. on Monday, May 21, 2018) or any adjournment thereof (as the case may be). Completion and return of the Supplemental H Share Class Meeting Proxy Form will not preclude a shareholder from attending and voting in person at the First H Share Class Meeting if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked. The H Share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. References to time and dates in this notice are to Hong Kong time and dates.

SUPPLEMENTAL NOTICE OF THE FIRST H SHARE CLASS MEETING

- (4) Shareholders entitled to attend and vote at the First H Share Class Meeting may appoint one or more proxies to attend and vote in their stead. For the avoidance of doubt, should the proxies being appointed to attend the First H Share Class Meeting under each of the Original H Share Class Meeting Proxy Form and the Supplemental H Share Class Meeting Proxy Form are different and more than one of the proxies attended the First H Share Class Meeting, only the proxy validly appointed under the Original H Share Class Meeting Proxy Form shall be designated to vote at the First H Share Class Meeting.
- (5) Please refer to the Original H Share Class Meeting Notice for details in respect of other resolution to be passed at the First H Share Class Meeting, eligibility for attending the First H Share Class Meeting, proxy, registration procedures, closure of register of members and other relevant matters.