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中國光纖網絡系統集團有限公司

CHINA FIBER OPTIC NETWORK SYSTEM GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3777)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of China Fiber Optic Network System Group Ltd. (the “**Company**” and the “**Meeting**”, respectively) will be held at The Hong Kong Bankers Club, 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong on Monday, May 23, 2016 at 4.30 p.m. for the following purposes:

AS ORDINARY BUSINESSES

1. To receive and consider the audited financial statements and the reports of the directors and independent auditors of the Company and its subsidiaries for the year ended December 31, 2015 (the “**Year**”);
2. A. To re-elect the following retiring directors of the Company:
 - (i) Mr. Meng Yuxiao as an executive director of the Company (the “**ED**”);
 - (ii) Mr. Deng Xuejun as an ED;
 - (iii) Mr. Shi Cuiming as an independent non-executive director of the Company (the “**INED**”); and
 - (iv) Dr. Lui Pan as an INED;
- B. To authorise the board of directors of the Company (the “**Directors**”) to fix the remuneration of the Directors;

3. To re-appoint HLB Hodgson Impey Cheng Limited as the independent auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of Shares upon the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of the Shares or rights to acquire the Shares; or
 - (iii) the exercise of the rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into or exchangeable for the Shares; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of the Shares in lieu of the whole or part of a dividend on the Shares pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time,

shall not exceed 20 per cent. of the aggregate number of the issued Shares as at the date of this Resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Cayman Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands or any applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution; and

“**Rights Issue**” means an offer of Shares or offer or issue of warrants, options or other securities giving the rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company or any recognized regulatory body or any stock exchange applicable to the Company).”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Island, applicable laws, the Code on Share Buy-backs issued by the Commission and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of securities of the Company repurchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate number of the issued Shares as at the date of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands or any other applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”
6. To consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

“**THAT** power be given to the directors of the Company to add the number of shares repurchased by the Company pursuant to the general mandate referred to in Resolution no. 5 set out in the notice convening the annual general meeting of the Company (the “**Notice**”) to the 20 per cent. general mandate to issue new shares referred to in Resolution no. 4 set out in the Notice.”

AS SPECIAL BUSINESS

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and the permission to deal in, such number of the ordinary shares of the Company (the “**Shares**”) which may fall to be allotted and issued pursuant to the exercise of the share options which may be granted under the Refreshed Scheme Mandate Limit (as defined below):

- (i) the existing limit on the grant of share options refreshed on September 11, 2015 under the share option scheme adopted by the Company pursuant to the ordinary resolution passed by the holders of the Shares on June 3, 2011 (the “**Share Option Scheme**”) be refreshed provided that (a) the total number of Shares which may be allotted and issued upon exercise of any share options to be granted under the Share Option Scheme and any other scheme(s) of the Company (excluding share options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other scheme(s) of the Company) shall not exceed 10 per cent. of the aggregate number of the Shares in issue as at the date of the passing of this resolution (the “**Refreshed Scheme Mandate Limit**”) and (b) the overall limit on the number of Shares which may be allotted and issued upon the exercise of all the share options to be granted and yet to be exercised under the Share Option Scheme and other scheme(s) of the Company must not exceed 30 per cent. of the Shares in issue from time to time; and

- (ii) the board of directors of the Company or a duly authorized committee thereof be and is hereby authorised (a) to do such acts and things and execute such documents, including under seal where applicable, as it may consider necessary or expedient to give effect to the Refreshed Scheme Mandate Limit; (b) to grant share options under the Share Option Scheme to subscribe for Shares within the Refreshed Scheme Mandate Limit subject to all applicable laws and rules; and (c) to exercise all powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such share options.”

By Order of the Board
China Fiber Optic Network System Group Ltd.
Zhao Bing
Chairman and Executive Director

Hong Kong, April 18, 2016

Registered office:

P.O. Box 309, Ugland House
Grand Cayman, Cayman Islands

Principal Place of Business in Hong Kong:

Suite 2001, 20th Floor
Shui On Centre
6–8 Harbour Road,
Wanchai
Hong Kong

As at the date of this Notice, the Board comprises the following Directors:

Executive Directors:

Mr. Zhao Bing (*Chairman*)
Mr. Meng Yuxiao
Mr. Deng Xuejun
Mr. Hung, Randy King Kuen
Mr. Xia Ni

Independent Non-Executive Directors:

Mr. Shi Cuiming
Dr. Ma Kwai Yuen
Dr. Lui Pan
Dr. Xu Wanqiang
Prof. Jiang Desheng

Notes:

1. A member of the Company (the “**Members**”) entitled to attend and vote at the Meeting is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and, on a poll, vote on his/her/its behalf. A proxy need not be a Member.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for holding the Meeting or its adjourned meeting.

3. The register of members of the Company will be closed from Tuesday, May 17, 2016 to Monday, May 23, 2016, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, May 16, 2016.
4.
 - (a) Subject to paragraph (b) below, if a black rainstorm warning signal is expected to be in force at any time between 9:00 a.m. and 6:00 p.m. on the date of the Meeting, the Meeting will be postponed and Members will be informed of the date, time and venue of the postponed Meeting by a supplemental notice posted on the respective websites of the Company and the Stock Exchange.
 - (b) If a black rainstorm warning signal is lowered or cancelled three hours before the time appointed for holding the Meeting and where conditions permit, the Meeting will be held as scheduled.
 - (c) The Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. After considering their own situations, Members should decide on their own whether or not they would attend the Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.
5. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.