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Smart Link Better Life.

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

長飛光纖光纜股份有限公司

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

(Stock Code: 6869)

2021 FIRST QUARTERLY REPORT

This announcement is issued by Yangtze Optical Fibre and Cable Joint Stock Limited Company* 長飛光纖光纜股份有限公司 (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The 2021 first quarterly report (unaudited, the “**Quarterly Report**”) contained in this announcement has been prepared in accordance with China Accounting Standards of Business Enterprises and the requirements on preparation and disclosure of quarterly report issued by China Securities Regulatory Commission, and has been approved by the Board of Directors (the “**Board**”) of the Company.

I. IMPORTANT NOTICE

- 1.1 The Board, Board of Supervisors, directors, supervisors and senior management officers of the Company undertake the authenticity, accuracy and completeness of the contents contained in this quarterly report without false representation, misleading statement or material omission, and they jointly and severally accept full responsibility.
- 1.2 All directors of the Company have attended the board meeting to approve the Quarterly Report.
- 1.3 Ma Jie, the legal representative of the Company, Zhuang Dan, the person in charge of the accounting affairs, and Liang Guanning, the head of the accounting department (accounting director) warrant that the financial statements contained in this Quarterly Report are authentic, accurate and complete.
- 1.4 The Quarterly Report of the Company is unaudited.

* For identification purpose only

II. CORPORATE INFORMATION

2.1 Major financial data

(Expressed in Renminbi “RMB”)

	As at 31 March 2021 (Unaudited)	As at 31 December 2020 (Audited)	Increase compared to the end of last year (%)
Total assets	16,528,292,765	15,855,597,394	4.24
Total equity attributable to equity shareholders of the Company	9,120,722,448	9,047,489,832	0.81
	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)	Increase compared to the same period of last year (%)
Net cash inflow from operating activities	(372,956,016)	(274,937,756)	35.65
Revenue	1,911,894,833	1,224,338,757	56.16
Profit for the period attributable to equity shareholders of the Company	84,463,087	(7,174,583)	Not applicable
Profit for the period attributable to equity shareholders of the Company excluding non-recurring items	74,527,461	(15,628,420)	Not applicable
Weighted average return on equity (%)	0.93	(0.08)	Not applicable
Basic earnings per share (RMB)	0.11	(0.01)	Not applicable
Diluted earnings per share (RMB)	0.11	(0.01)	Not applicable

Non-recurring items and amount

☒ Applicable ☐ Not applicable

(Expressed in RMB)

Items	For the three months ended 31 March 2021 (Unaudited)	Note
Losses from disposal of non-current assets	(30,763)	
Government grants accounted into current gains or losses (other than government grants closely related to the businesses of the Company, and in a fixed or quantifiable amount in conformity with the common standards of the State)	13,539,418	
Changes in fair value of financial assets and liabilities held for trading, and disposal of financial assets and liabilities held for trading and available-for-sale financial assets, other than those held for effective hedging related to normal operations	359,058	
Other non-operating income and expenses other than the above items	(1,275,938)	
Other items accorded with the definition of non-recurring profit or loss	441,783	
Impact on non-controlling interests (after tax)	(1,132,735)	
Income tax effect	<u>(1,965,197)</u>	
Total	<u><u>9,935,626</u></u>	

2.2 Total number of shareholders, the shareholding of top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

Unit: share

Total number of shareholders

27,192

Name of shareholders (full name)	Shareholding of top ten shareholders					Nature of shareholders
	Shareholding as the end of the reporting period	Percentage (%)	Restricted shareholding	Pledged or locked-up Status	Number	
China Huaxin Post and Telecom Technologies Co., Ltd.	179,827,794	23.73	179,827,794	Nil	0	State-owned legal person
Draka Comteq B.V.	179,827,794	23.73	0	Nil	0	Overseas legal person
HKSCC Nominees Limited	171,559,849	22.63	0	Nil	0	Overseas legal person
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	15.82	119,937,010	Nil	0	State-owned legal person
Ningbo Ruitu Business Management Consulting Partnership Enterprise	12,421,390	1.64	0	Nil	0	Others
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trusts • ShengLi No. 5-Single Fund Trust	7,031,537	0.93	0	Nil	0	Others
Ningbo Ruiying Business Management Consulting Partnership Enterprise	6,533,500	0.86	0	Nil	0	Others
Hong Kong Securities Clearing Company Ltd Partnership Enterprise	2,764,769	0.36	0	Nil	0	Overseas legal person
Ningbo Ruiqi Business Management Partnership Enterprise	2,465,345	0.33	0	Nil	0	Others
Ningbo Ruiyue Business Management Partnership Enterprise	1,698,910	0.22	0	Nil	0	Others

Shareholding of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class and number of shares	
		Class	Number
Draka Comteq B.V.	179,827,794	Overseas listed foreign shares	179,827,794
HKSCC Nominees Limited	171,559,849	Overseas listed foreign shares	171,559,849
Ningbo Ruitu Business Management Consulting Partnership Enterprise	12,421,390	RMB ordinary shares	12,421,390
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trusts • ShengLi No. 5-Single Fund Trust	7,031,537	RMB ordinary shares	7,031,537
Ningbo Ruiying Business Management Consulting Partnership Enterprise	6,533,500	RMB ordinary shares	6,533,500
Hong Kong Securities Clearing Company Ltd Partnership Enterprise	2,764,769	RMB ordinary shares	2,764,769
Ningbo Ruiqi Business Management Consulting Partnership Enterprise	2,465,345	RMB ordinary shares	2,465,345
Ningbo Ruiyue Business Management Consulting Partnership Enterprise	1,698,910	RMB ordinary shares	1,698,910
Industrial and Commercial Bank of China Limited – Guotai CSI All Share Communications Index ETF	935,480	RMB ordinary shares	935,480
Agriculture Bank of China Limited – CSI 500 Constituent Trading Open-ended Fund	759,000	RMB ordinary shares	759,000

Explanation of associations or actions in concert among the above shareholders	There are common executive partners among Ningbo Ruitu Business Management Consulting Partnership Enterprise, Ningbo Ruiying Business Management Consulting Partnership Enterprise, Ningbo Ruiqi Business Management Consulting Partnership Enterprise, and Ningbo Ruiyue Business Management Consulting Partnership Enterprise
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Explanation of holders of preferred shares with resumed voting right and the number of shares held	Not applicable
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2.3 Total number of and top ten holders of preference shares and their unrestricted shareholdings as at the end of the reporting period

☐ Applicable ☒ Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statements and financial indicators and the reasons thereof

☒ Applicable ☐ Not applicable

3.1.1 Analysis of changes in major item in consolidated balance sheet

(1) Construction in progress

Construction in progress as at 31 March 2021 increased by approximately RMB108.08 million, representing a 41.75% increase. The main reasons were the investments in overseas telecom engineering project in Peru, OPGW construction project and other construction projects.

(2) Long-term loans

Long-term loans as at 31 March 2021 increased by approximately RMB199.80 million, representing a 38.08% increase. The increase was mainly to satisfy the capital demand from operating activities.

3.1.2 Analysis of changes in major item in consolidated income statement

During the Period, the Group's operating income and operating costs increased by 56.16% and 59.23%, respectively. Affected by the increased operating income, the gross profit, net profit, earnings per share, taxes and surcharges, selling and distribution expenses, general and administration expenses, R&D expenses and other major financial results increased proportionally as compared to the same period of 2020. The increase was mainly because the major production and operation activities of the Group were significantly affected by COVID-19 during the first quarter of 2020, while they were basically normal during the period. The financial expenses for the Period decreased by RMB43.19 million, which mainly resulted from the decrease of exchange loss by RMB54.69 million. Comparing to that during the first quarter of 2020, when foreign currencies such as Mexican peso, Indonesian rupee, South African rand depreciated significantly against RMB or US Dollar, resulted in substantial exchange losses. Investment income increased by RMB36.95 million. It came from the increase of profit for the period of the associate, AVIC Baosheng Ocean Engineering Cable Company. Credit losses increased by RMB21.48 million, which was mainly because of the increase in provision for bad and doubtful debts as compared to the same period of 2020.

3.1.3 Analysis of changes in major item in consolidated statement of cash flow

- (1) The net cash used by the Group's operating activities increased by RMB98.02 million, which was mainly because the major production and operation activities of the Group were significantly affected by the COVID-19 during the same period of last year, while they were basically normal during the period.
- (2) The net cash generated from financing activities of the Group increased by RMB129.64 million, which was mainly due to the financing of the subsidiary, Everpro Connectivity (Shenzhen) Technology Company Limited.

3.2 Analysis of description of significant events and their impacts and solutions

☐ Applicable ☒ Not applicable

3.3 Undertaking not performed in time during the reporting period

☐ Applicable ☒ Not applicable

3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material change from the corresponding period of last year and the record therefor

☐ Applicable ☒ Not applicable

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, 29 April 2021.

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

* For identification purpose only

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet As at 31 March 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Current assets:		
Cash at bank and on hand	1,537,878,096	1,444,270,151
Financial assets held for trading	775,468,125	891,831,588
Bills receivable	292,475,209	274,422,718
Accounts receivable	4,237,794,536	3,776,762,957
Receivables under financing	169,601,858	138,133,247
Prepayments	182,555,677	199,027,986
Other receivables	170,583,279	143,998,093
Including: Interest receivable	—	—
Dividends receivable	625,908	625,908
Inventories	2,399,632,078	2,337,549,891
Other current assets	268,918,099	244,226,485
Total current assets	10,034,906,957	9,450,223,116
Non-current assets:		
Long-term equity investments	1,609,527,629	1,636,031,916
Investments in other equity instruments	42,025,359	41,378,280
Other non-current financial assets	45,894,329	45,378,370
Fixed assets	3,663,719,371	3,694,140,835
Construction in progress	366,994,730	258,911,145
Right-of-use assets	69,158,316	76,251,881
Intangible assets	356,285,070	342,005,409
Goodwill	27,264,846	20,027,705
Long-term deferred expenses	8,720,074	9,129,148
Deferred tax assets	145,812,834	138,033,575
Other non-current assets	157,983,250	144,086,014
Total non-current assets	6,493,385,808	6,405,374,278
Total assets	16,528,292,765	15,855,597,394

Items	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Current liabilities:		
Short-term loans	1,259,966,216	1,033,657,703
Bills payable	728,758,102	659,423,906
Accounts payable	1,452,039,781	1,539,623,899
Contract liabilities	365,143,233	360,704,641
Employee benefits payable	241,970,906	252,632,361
Taxes payable	95,657,483	93,383,446
Other payables	379,253,780	372,357,376
Including: Interest payable	—	—
Dividend payable	362,000	—
Non-current liabilities due within one year	37,511,542	39,960,759
Other current liabilities	27,854,507	24,605,476
Total current liabilities	4,588,155,550	4,376,349,567
Non-current liabilities:		
Long-term loans	724,500,000	524,700,000
Debenture payable	491,862,180	487,575,358
Lease liabilities	54,588,027	58,456,419
Deferred income	255,680,169	260,265,226
Deferred tax liabilities	11,072,177	11,448,729
Other non-current liabilities	759,164,976	751,278,679
Total non-current liabilities	2,296,867,529	2,093,724,411
Total liabilities	6,885,023,079	6,470,073,978
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	3,361,566,425	3,364,333,115
Less: Treasury stock	33,653,461	33,653,461
Other comprehensive income	(14,376,203)	(5,912,422)
Surplus reserve	636,629,870	636,629,870
Retained earnings	4,412,650,709	4,328,187,622
Total equity attributable to shareholders of the Company	9,120,722,448	9,047,489,832
Non-controlling interests	522,547,238	338,033,584
Total equity	9,643,269,686	9,385,523,416
Total liabilities and shareholders' equity	16,528,292,765	15,855,597,394

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Balance Sheet
As at 31 March 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Current assets:		
Cash at bank and on hand	914,181,798	871,198,233
Financial assets held for trading	392,192,497	492,403,072
Bills receivable	281,504,981	270,396,954
Accounts receivable	4,138,555,068	3,725,970,588
Receivables under financing	154,819,924	135,298,456
Prepayments	85,906,876	88,407,359
Other receivables	1,282,346,889	1,162,819,950
Including: Interest receivable	17,350,085	11,739,267
Dividends receivable	2,912,197	2,912,197
Inventories	1,436,771,680	1,408,700,916
Other current assets	88,889,218	93,089,629
Total current assets	8,775,168,931	8,248,285,157
Non-current assets:		
Long-term receivables	76,800,000	76,800,000
Long-term equity investments	2,979,447,003	2,925,669,698
Investments in other equity instruments	42,025,359	41,378,280
Other non-current financial assets	45,894,329	45,378,370
Fixed assets	1,166,013,058	1,170,755,899
Construction in progress	150,219,814	120,818,767
Right-of-use assets	16,211,108	17,294,821
Intangible assets	112,183,982	112,885,048
Deferred tax assets	74,251,968	64,225,603
Other non-current assets	14,953,767	13,997,990
Total non-current assets	4,678,000,388	4,589,204,476
Total assets	13,453,169,319	12,837,489,633

Items	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Current liabilities:		
Short-term loans	966,921,394	709,178,714
Bills payable	1,198,706,683	1,134,818,707
Accounts payable	1,051,275,730	1,191,939,978
Contract liabilities	275,951,962	252,164,924
Employee benefits payable	181,082,561	196,671,464
Taxes payable	53,876,464	40,964,087
Other payables	413,456,794	291,858,520
Including: Interest payable	—	—
Dividend payable	—	—
Non-current liabilities due within one year	21,358,371	20,928,288
Other current liabilities	24,514,347	22,722,905
Total current liabilities	4,187,144,306	3,861,247,587
Non-current liabilities:		
Long-term loans	724,500,000	524,700,000
Debenture payable	491,862,180	487,575,358
Lease liabilities	13,709,644	14,800,616
Deferred income	163,407,531	167,525,807
Other non-current liabilities	39,864,535	34,343,886
Total non-current liabilities	1,433,343,890	1,228,945,667
Total liabilities	5,620,488,196	5,090,193,254
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	3,394,741,961	3,392,642,301
Less: Treasury stock	33,653,461	33,653,461
Other comprehensive income	8,377,482	7,827,465
Surplus reserve	636,629,870	636,629,870
Retained earnings	3,068,680,163	2,985,945,096
Total equity	7,832,681,123	7,747,296,379
Total liabilities and shareholders' equity	13,453,169,319	12,837,489,633

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Consolidated Income Statement
For the three months ended 31 March 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
I. Operating income	1,911,894,833	1,224,338,757
Less: Operating costs	1,479,462,104	929,115,392
Taxes and surcharges	5,714,174	4,010,041
Selling and distribution expenses	100,735,665	49,051,152
General and administrative expenses	123,173,603	102,322,774
Research and development expenses	81,628,566	56,095,425
Financial expenses	21,603,463	64,794,403
Including: Interest expenses	14,225,297	9,239,310
Interest revenue	3,062,629	6,590,736
Add: Other income	13,539,418	10,617,665
Investment income	22,846,101	(14,103,913)
Including: Income from investment in associates and joint ventures	26,138,097	(14,103,913)
Gains/(losses) from changes in fair value	305,384	(56,570)
Credit losses	(39,197,823)	(17,714,671)
Impairment losses	(5,866,264)	(7,217,129)
(Losses)/gains from asset disposals	(30,763)	4,703
II. Operating profit	91,173,311	(9,520,345)
Add: Non-operating income	1,340,500	835,323
Less: Non-operating expenses	2,616,438	809,696
III. Profit before income tax	89,897,373	(9,494,718)
Less: Income tax expenses	2,808,193	(97,779)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
IV. Net profit for the period	87,089,180	(9,396,939)
(1) Net profit classified by continuity of operations		
1. Net profit from continuing operations	87,089,180	(9,396,939)
2. Net profit from discontinued operations	—	—
(2) Net profit classified by ownership		
1. Shareholders of the Company	84,463,087	(7,174,583)
2. Non-controlling interests	2,626,093	(2,222,356)
V. Other comprehensive income, net of tax	(9,735,603)	(28,662,635)
Other comprehensive income (net of tax) attributable to shareholders of the Company	(8,463,781)	(18,448,295)
(1) Items that will not be reclassified to profit or loss	550,017	3,391,772
1. Changes in fair value of investments in other equity instruments	550,017	3,391,772
(2) Items that may be reclassified subsequently to profit or loss	(9,013,798)	(21,840,067)
1. Translation differences arising from translation of foreign currency financial statements	(9,013,798)	(21,840,067)
Other comprehensive income (net of tax) attributable to non-controlling interests	(1,271,822)	(10,214,340)
VI. Total comprehensive income for the period	77,353,577	(38,059,574)
Total comprehensive income attributable to shareholders of the Company	75,999,306	(25,622,878)
Total comprehensive income attributable to non-controlling interests	1,354,271	(12,436,696)
VII. Earnings per share:		
(1) Basic earnings per share	0.11	(0.01)
(2) Diluted earnings per share	0.11	(0.01)

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous reporting period was RMB0.

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Income Statement
For the three months ended 31 March 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
I. Operating income	1,701,560,156	1,136,122,232
Less: Operating costs	1,406,444,034	973,404,527
Taxes and surcharges	2,115,463	2,021,851
Selling and distribution expenses	77,254,052	36,121,094
General and administrative expenses	70,813,607	67,836,615
Research and development expenses	48,945,823	36,176,073
Financial expenses	(4,495,972)	966,499
Including: Interest expenses	12,502,324	9,874,303
Interest revenue	8,852,493	8,217,104
Add: Other income	4,972,597	4,917,595
Investment income	18,421,335	(12,687,465)
Including: Income from investment in associates and joint ventures	17,995,180	(12,687,465)
Gains/(losses) from changes in fair value	305,384	(56,570)
Credit losses	(32,130,474)	(17,467,837)
Impairment losses	(6,199,336)	(7,217,129)
(Losses)/gains from asset disposals	(59,944)	4,703
II. Operating profit	85,792,711	(12,911,130)
Add: Non-operating income	779,185	200,000
Less: Non-operating expenses	43,039	241,453
III. Profit before income tax	86,528,857	(12,952,583)
Less: Income tax expenses	3,793,790	(2,075,627)
IV. Net profit for the period	82,735,067	(10,876,956)
(1) Net profit from continuing operations	82,735,067	(10,876,956)
(2) Net profit from discontinued operations	—	—
V. Other comprehensive income, net of tax	550,017	3,391,772
(1) Items that will not be reclassified to profit or loss	550,017	3,391,772
Changes in fair value of investments in other equity instruments	550,017	3,391,772
VI. Total comprehensive income for the period	83,285,084	(7,485,184)

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Consolidated statement of Cash Flow
For the three months ended 31 March 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	1,387,204,539	959,652,263
Refund of taxes	40,145,194	22,439,031
Proceeds from other operating activities	87,867,049	54,633,374
Sub-total of cash inflows	1,515,216,782	1,036,724,668
Payment for goods and services	(1,511,932,086)	(1,019,393,124)
Payment to and for employees	(241,291,838)	(196,014,984)
Payment of various taxes	(40,036,333)	(48,285,074)
Payment for other operating activities	(94,912,541)	(47,969,242)
Sub-total of cash outflows	(1,888,172,798)	(1,311,662,424)
Net cash outflow from operating activities	(372,956,016)	(274,937,756)
II. Cash flows from investing activities:		
Proceeds from disposal of investments	206,529,336	9,177,380
Investments returns received	5,554,911	6,528,041
Net proceeds from disposal of fixed assets	13,920,824	16,239
Proceeds from other investing activities	9,828,338	17,900,810
Sub-total of cash inflows	235,833,409	33,622,470
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(232,537,238)	(132,788,472)
Payment for acquisition of investments	(90,000,000)	—
Sub-total of cash outflows	(322,537,238)	(132,788,472)
Net cash outflow from investing activities	(86,703,829)	(99,166,002)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
III. Cash flow from financing activities:		
Proceeds from investors	159,700,000	—
Proceeds from borrowings	913,779,469	701,470,661
Sub-total of cash inflows	1,073,479,469	701,470,661
Repayments of borrowings	(507,911,426)	(260,992,653)
Payment for dividends, profit distributions or interest	(6,788,349)	(17,178,853)
Payment for other financing activities	(7,287,695)	(1,448,431)
Sub-total of cash outflows	(521,987,470)	(279,619,937)
Net cash inflow from financing activities	551,491,999	421,850,724
IV. Effect of foreign exchange rate changes on cash and cash	(1,897,907)	(3,791,810)
V. Net increase in cash and cash equivalents	89,934,247	43,955,156
Add: Cash and cash equivalents at the beginning of the period	1,366,513,841	2,088,466,320
VI. Cash and cash equivalents at the end of the period	1,456,448,088	2,132,421,476

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

Statement of Cash Flow
For the three months ended 31 March 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	1,186,111,651	852,127,774
Refund of taxes	40,102,232	17,273,977
Proceeds from other operating activities	31,345,191	8,087,233
Sub-total of cash inflows	1,257,559,074	877,488,984
Payment for goods and services	(1,512,415,704)	(1,209,487,855)
Payment to and for employees	(130,973,977)	(110,202,105)
Payment of various taxes	(6,371,820)	(26,361,380)
Payment for other operating activities	(49,050,630)	(42,886,108)
Sub-total of cash outflows	(1,698,812,131)	(1,388,937,448)
Net cash outflow from operating activities	(441,253,057)	(511,448,464)
II. Cash flows from investing activities:		
Proceeds from disposal of investments	150,000,000	79,057,165
Investments returns received	5,368,800	4,701,816
Net proceeds from disposal of fixed assets	12,005,119	16,239
Sub-total of cash inflows	167,373,919	83,775,220
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(79,661,123)	(47,255,653)
Payment for acquisition of investments	(193,695,679)	(181,253,256)
Sub-total of cash outflows	(273,356,802)	(228,508,909)
Net cash outflow from investing activities	(105,982,883)	(144,733,689)

Items	For the three months ended 31 March 2021 (Unaudited)	For the three months ended 31 March 2020 (Unaudited)
III. Cash flow from financing activities:		
Proceeds from borrowings	856,422,968	609,643,000
Proceeds from other financing activities	172,733,784	136,310,163
Sub-total of cash inflows	1,029,156,752	745,953,163
Repayments of borrowings	(397,256,125)	(204,502,494)
Payment for dividends, profit distributions or interest	(7,849,068)	(4,700,227)
Payment for other financing activities	(33,911,653)	—
Sub-total of cash outflows	(439,016,846)	(209,202,721)
Net cash inflow from financing activities	590,139,906	536,750,442
IV. Effect of foreign exchange rate changes on cash and cash	138,941	1,923,384
V. Net increase/(decrease) in cash and cash equivalents	43,042,907	(117,508,327)
Add: Cash and cash equivalents at the beginning of the period	867,172,153	1,275,752,672
VI. Cash and cash equivalents at the end of the period	910,215,060	1,158,244,345

Legal representative of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Liang Guanning

4.2 Auditor's report

☐ Applicable ☒ Not applicable