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Smart Link Better Life.

長飛光纖光纜股份有限公司

Yangtze Optical Fibre and Cable Joint Stock Limited Company*

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

(Stock Code: 6869)

2021 THIRD 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 third 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 The head of the Company, the person in charge of the accounting affairs and the head of the accounting department (accounting director) warrant that the financial statements contained in this Quarterly Report are authentic, accurate and complete.
- 1.3 The Quarterly Report of the Company is unaudited.

* For identification purpose only

II. MAJOR FINANCIAL DATA

2.1 Major accounting data and financial indicators

(Expressed in Renminbi “RMB”)

Item	The quarterly period (Note I) (Unaudited)	Increase/decrease compared to the same quarter of last year (%)	The reporting period (Note II) (Unaudited)	Increase/decrease compared to the same period of last year (%)
Operating income	2,436,851,772	19.71	6,788,542,423	24.73
Net profit for the period attributable to shareholders of the Company	84,998,570	(40.70)	564,153,787	38.98
Net profit for the period attributable to shareholders of the Company excluding non-recurring items	72,694,527	(42.31)	233,530,633	(36.96)
Net cash used in operating activities	Not applicable	Not applicable	(11,113,003)	(94.57)
Basic earnings per share (RMB)	0.11	(42.11)	0.75	38.89
Diluted earnings per share (RMB)	0.11	(42.11)	0.74	37.04
Weighted average return on equity (%)	0.90	Decreased by 0.72 percentage point	6.09	Increased by 1.5 percentage points
		30 September 2021 (Unaudited)	31 December 2020 (Audited)	Increase compared to the end of last year (%)
Total assets	18,747,959,654		15,855,597,394	18.24
Total equity attributable to equity shareholders of the Company	9,529,917,696		9,047,489,832	5.33

Note I: The quarterly period refers to the three months from the beginning of the quarter to the end of the quarterly period.

Note II: The reporting period refers to the nine months from the beginning of the year to the end of the reporting period.

2.2 Non-recurring items and amount

✓ Applicable □ Not applicable

(Expressed in RMB)

Items	The quarterly period	The reporting period	Note
Gains or losses from disposal of non-current assets	(299,632)	(1,579,308)	
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)	17,197,705	46,173,206	
The investment cost of subsidiaries, associates and joint ventures obtained by the enterprise is less than the income from the fair value of the identifiable net assets of the invested entity at the time of obtaining the investment	–	27,867,228	
Changes in fair value of financial assets and liabilities held for trading, and investment income from 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	(297,940)	320,763,360	
Other non-operating income and expenses other than the above items	(173,198)	929,211	
Other items accorded with the definition of non-recurring profit or loss	(43,620)	868,112	
Income tax effect	(2,572,731)	(59,882,177)	
Impact on non-controlling interests (after tax)	(1,506,541)	(4,516,478)	
Total	12,304,043	330,623,154	

2.3 Changes and reasons of major accounting data and financial indicators

✓ Applicable □ Not applicable

Item	Proportion of changes (%)	Main reason
Net profit for the period attributable to shareholders of the Company – the quarterly period	(40.70)	Mainly because the average unit price of common optical fibre and cable products decreased by approximately 30% during the central biddings of domestic operators compared with the same period last year
Net profit for the period attributable to shareholders of the Company excluding non-recurring items – the quarterly period	(42.31)	The same as above
Basic earnings per share (RMB) – the quarterly period	(42.11)	The same as above
Diluted earnings per share (RMB) – the quarterly period	(42.11)	The same as above
Net profit for the period attributable to shareholders of the Company excluding non-recurring items – the reporting period	(36.96)	The same as above
Net profit for the period attributable to shareholders of the Company – the reporting period	38.98	Mainly due to the income from changes in fair value of financial assets held for trading in the current period of approximately RMB320.8 million
Basic earnings per share (RMB) – the reporting period	38.89	The same as above
Diluted earnings per share (RMB) – the reporting period	37.04	The same as above
Net cash used in operating activities – the reporting period	(94.57)	Mainly because the net increase of operating receivables, payables and inventories decreased by approximately RMB266.7 million

III. INFORMATION OF SHAREHOLDERS

3.1 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 24,121

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	0	Nil	0	State-owned legal person
Draka Comteq B.V.	179,827,794	23.73	0	Nil	0	Overseas legal person
HKSCC Nominees Limited	171,576,849	22.64	0	Nil	0	Overseas legal person
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	15.82	0	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 Trust • Shengli No. 5 Single Fund Trust	8,106,477	1.07	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	6,530,120	0.86	0	Nil	0	Overseas legal person
Ningbo Ruiqi Business Management Consulting Partnership Enterprise	2,465,345	0.33	0	Nil	0	Others
Ningbo Ruiyue Business Management Consulting Partnership Enterprise	1,698,910	0.22	0	Nil	0	Others

Shareholding of top ten unrestricted shareholders

Class and number of shares

Name of shareholders	Number of unrestricted tradable shares held	Class	Number
China Huaxin Post and Telecom Technologies Co., Ltd.	179,827,794	RMB ordinary shares	179,827,794
Draka Comteq B.V.	179,827,794	Overseas listed foreign shares	179,827,794
HKSCC Nominees Limited	171,576,849	Overseas listed foreign shares	171,576,849
Wuhan Yangtze Communications Industry Group Co., Ltd.	119,937,010	RMB ordinary shares	119,937,010
Ningbo Ruitu Business Management Consulting Partnership Enterprise	12,421,390	RMB ordinary shares	12,421,390
China Resources Shenguo Tou Trust Co., Ltd. – China Resources Trust • Shengli No. 5 Single Fund Trust	8,106,477	RMB ordinary shares	8,106,477
Ningbo Ruiying Business Management Consulting Partnership Enterprise	6,533,500	RMB ordinary shares	6,533,500
Hong Kong Securities Clearing Company Ltd	6,530,120	RMB ordinary shares	6,530,120
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

Explanation of associations or actions in concert among the above shareholders

There is a common general partner 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

Illustration of margin tradings and refinancing among top ten shareholders and top ten unrestricted shareholders (if any)

Not applicable

3.2 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

IV. OTHER REMINDERS

Other important information about the Company's operation in the reporting period that investors should be reminded of

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 October 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 purposes only

V. APPENDIX

5.1 Financial statements

Consolidated Balance Sheet As at 30 September 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Current assets:		
Cash at bank and on hand	2,017,336,712	1,444,270,151
Financial assets held for trading	1,696,021,347	891,831,588
Bills receivable	382,442,234	274,422,718
Accounts receivable	4,683,385,942	3,776,762,957
Receivables under financing	116,782,141	138,133,247
Prepayments	204,908,818	199,027,986
Other receivables	127,205,924	143,998,093
Including: Interest receivable	–	–
Dividends receivable	522,212	625,908
Inventories	2,452,213,838	2,337,549,891
Other current assets	297,398,858	244,226,485
Total current assets	11,977,695,814	9,450,223,116
Non current assets:		
Long-term equity investments	1,469,670,485	1,636,031,916
Investments in other equity instruments	42,888,131	41,378,280
Other non-current financial assets	46,937,385	45,378,370
Fixed assets	3,738,750,092	3,694,140,835
Construction in progress	606,111,025	258,911,145
Right-of-use assets	69,129,399	76,251,881
Intangible assets	319,381,038	342,005,409
Goodwill	27,145,122	20,027,705
Long-term deferred expenses	19,520,953	9,129,148
Deferred tax assets	143,000,872	138,033,575
Other non-current assets	287,729,338	144,086,014
Total non-current assets	6,770,263,840	6,405,374,278
Total assets	18,747,959,654	15,855,597,394

Items	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Current liabilities:		
Short-term loans	1,475,076,299	1,033,657,703
Bills payable	933,423,063	659,423,906
Accounts payable	1,683,905,457	1,539,623,899
Contract liabilities	427,203,399	360,704,641
Employee benefits payable	230,636,585	252,632,361
Taxes payable	84,934,023	93,383,446
Other payables	361,789,507	372,357,376
Including: Interest payable	–	–
Dividends payable	–	–
Non-current liabilities due within one year	372,241,157	39,960,759
Other current liabilities	32,395,785	24,605,476
Total current liabilities	5,601,605,275	4,376,349,567
Non-current liabilities:		
Long-term loans	1,534,700,000	524,700,000
Debenture payable	483,687,998	487,575,358
Lease liabilities	40,713,312	58,456,419
Deferred income	269,165,813	260,265,226
Deferred tax liabilities	11,415,745	11,448,729
Other non-current liabilities	766,659,799	751,278,679
Total non-current liabilities	3,106,342,667	2,093,724,411
Total liabilities	8,707,947,942	6,470,073,978
Shareholders' equity:		
Share capital	757,905,108	757,905,108
Capital reserve	3,453,632,240	3,364,333,115
Less: Treasury shares	33,653,461	33,653,461
Other comprehensive income	(13,229,967)	(5,912,422)
Surplus reserve	647,934,100	636,629,870
Retained earnings	4,717,329,676	4,328,187,622
Total equity attributable to equity shareholders of the Company	9,529,917,696	9,047,489,832
Non-controlling interests	510,094,016	338,033,584
Total shareholders' equity	10,040,011,712	9,385,523,416
Total liabilities and shareholders' equity	18,747,959,654	15,855,597,394

The head of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Zhuang Dan

Consolidated Income Statement
For the nine months ended 30 September 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB yuan)

Items	For the nine months ended	
	30 September	2020
	(Unaudited)	(Unaudited)
I. Operating income	6,788,542,423	5,442,440,539
Less: Operating costs	5,209,742,484	4,086,860,790
Taxes and surcharges	24,989,962	12,331,456
Selling and distribution expenses	416,540,001	232,048,667
General and administrative expenses	421,972,621	302,979,665
Research and development expenses	320,109,506	264,359,073
Financial expenses	90,056,363	68,917,800
Including: Interest expenses	62,593,063	33,760,964
Interest income	10,144,919	18,237,998
Add: Other income	45,964,482	38,681,888
Investment income	47,140,857	6,970,101
Including: Income from investment in associates and joint ventures	37,553,096	4,948,254
Gains from changes in fair value	320,763,360	107,615
Credit losses	(62,345,666)	(65,720,153)
Impairment losses	(67,821,984)	(22,770,564)
Gains from asset disposals	(768,484)	2,501,828
II. Operating profit	588,064,051	434,713,803
Add: Non-operating income	31,595,141	2,970,324
Less: Non-operating expenses	2,798,702	1,584,899
III. Profit before income tax	616,860,490	436,099,228
Less: Income tax expenses	40,525,292	30,159,161

Items	For the nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
IV. Net profit for the period	576,335,198	405,940,067
(1) Net profit classified by continuity of operations		
1. Net profit from continuing operations	576,335,198	405,940,067
2. Net profit from discontinued operations	–	–
(2) Net profit classified by ownership		
1. Shareholders of the Company	564,153,787	405,917,946
2. Non-controlling interests	12,181,411	22,121
V. Other comprehensive income, net of tax	(9,345,104)	(41,027,411)
Other comprehensive income (net of tax) attributable to shareholders of the Company	(7,317,545)	(33,915,401)
(1) Items that will not be reclassified to profit or loss	1,283,373	(11,687,865)
1. Changes in fair value of investments in other equity instruments	1,283,373	(11,687,865)
(2) Items that may be reclassified subsequently to profit or loss	(8,600,918)	(22,227,536)
1. Translation differences arising from translation of foreign currency financial statements	(8,600,918)	(22,227,536)
Other comprehensive income (net of tax) attributable to non-controlling interests	(2,027,559)	(7,112,010)
VI. Total comprehensive income	566,990,094	364,912,656
Total comprehensive income attributable to equity shareholders of the Company	556,836,242	372,002,545
Total comprehensive income attributable to non-controlling interests	10,153,852	(7,089,889)
VII. Earnings per share:		
(1) Basic earnings per share (RMB)	0.75	0.54
(2) Diluted earnings per share (RMB)	0.74	0.54

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.

The head of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Zhuang Dan

Consolidated Statement of Cash Flow
For the nine months ended 30 September 2021

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	For the nine months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	5,576,183,103	4,191,622,441
Refund of taxes	101,651,724	113,532,927
Proceeds from other operating activities	82,823,021	112,193,617
Sub-total of cash inflows	5,760,657,848	4,417,348,985
Payment for goods and services	(4,823,718,164)	(3,709,047,412)
Payment to and for employees	(676,510,049)	(581,288,927)
Payment of various taxes	(113,380,414)	(187,066,341)
Payment for other operating activities	(158,162,224)	(144,578,715)
Sub-total of cash outflows	(5,771,770,851)	(4,621,981,395)
Net cash outflow from operating activities	(11,113,003)	(204,632,410)
II. Cash flows from investing activities:		
Proceeds from disposal of investments	2,251,845,690	9,177,380
Investments returns received	24,658,792	24,255,463
Net proceeds from disposal of fixed assets	22,827,263	6,267,058
Proceeds from other investing activities	9,828,338	8,362,515
Sub-total of cash inflows	2,309,160,083	48,062,416
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(774,047,572)	(512,231,434)
Payment for acquisition of investments	(2,652,464,507)	(269,858,704)
Sub-total of cash outflows	(3,426,512,079)	(782,090,138)
Net cash outflow from investing activities	(1,117,351,996)	(734,027,722)

Items	For the nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
III. Cash flows from financing activities:		
Proceeds from investors	226,370,000	39,200,000
Including: proceeds from non-controlling shareholders of a subsidiary	226,370,000	39,200,000
Proceeds from borrowings	3,910,340,550	3,235,700,132
Sub-total of cash inflows	4,136,710,550	3,274,900,132
Repayments of borrowings	(2,166,519,930)	(1,934,164,985)
Payment for dividends, profit distributions or interest	(222,902,028)	(337,171,521)
Payment for other financing activities	(11,095,205)	(9,944,660)
Sub-total of cash outflows	(2,400,517,163)	(2,281,281,166)
Net cash inflow from financing activities	1,736,193,387	993,618,966
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(13,057,964)	(10,799,548)
V. Net increase in cash and cash equivalents	594,670,424	44,159,286
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	1,961,184,265	2,132,625,606

The head of
the Company:

Ma Jie

The person in charge of
accounting affairs:

Zhuang Dan

The head of
the accounting department:

Zhuang Dan