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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)**

## **2022 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 2022 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 Mr. Ma Jie, the legal representative of the Company, Mr. Zhuang Dan, the person in charge of the accounting affairs, and Mr. Jinpei Yang, 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 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	3,851,057,769	58.03	10,242,432,745	50.88
Net profit for the period attributable to shareholders of the Company	350,031,675	311.81	875,424,913	55.17
Net profit for the period attributable to shareholders of the Company excluding non-recurring items	327,666,722	350.74	790,955,525	238.69
Net cash used in operating activities	Not applicable	Not applicable	943,500,233	Not applicable
Basic earnings per share (RMB/share)	0.47	327.27	1.16	54.67
Diluted earnings per share (RMB/share)	0.47	327.27	1.16	56.76
Weighted average return on equity (%)	3.62	Increased by 2.72 percentage points	8.80	Increased by 2.71 percentage points
		<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>Increase compared to the end of last year (%)</b>
Total assets		28,090,991,360	19,478,649,093	44.21
Total equity attributable to equity shareholders of the Company		9,836,146,966	9,781,997,943	0.55

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
Gains or losses from disposal of non-current assets	(42,560)	(2,305,200)
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)	29,086,490	66,523,787
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	–	31,736,348
Changes in fair value of financial assets and liabilities held for trading, derivative financial assets and liabilities, and investment income from disposal of financial assets and liabilities held for trading, derivative financial assets and liabilities, other investment on bonds, other than those held for effective hedging related to normal operations	3,742,111	8,803,154
Other non-operating income and expenses other than the above items	(1,698,659)	71,811
Other items accorded with the definition of non-recurring profit or loss	3,224,873	4,089,533
Income tax effect	(6,052,018)	(12,620,417)
Impact on non-controlling interests (after tax)	(5,895,284)	(11,829,628)
<b>Total</b>	<b>22,364,953</b>	<b>84,469,388</b>

## 2.3 Changes and reasons of major accounting data and financial indicators

✓ Applicable    □ Not applicable

Item	Proportion of changes (%)	Main reason
Operating income - the quarterly period	58.03	Due to the average price level and sales volume of the Company's main products increased during the quarterly period.
Net profit for the period attributable to shareholders of the Company – the quarterly period	311.81	Due to the sales volume of the Company's main products increased and the average price level rose year on year, the profit level improved significantly during the quarterly period.
Net profit for the period attributable to shareholders of the Company excluding non-recurring items – the quarterly period	350.74	The same as above
Basic earnings per share (RMB/share) – the quarterly period	327.27	The same as above
Diluted earnings per share (RMB/share) – the quarterly period	327.27	The same as above
Operating income - the reporting period	50.88	Due to the sales volume and average price level of the Company's main products increased during the reporting period compared with the first three quarters of 2021.
Net profit for the period attributable to shareholders of the Company excluding non-recurring items – the reporting period	238.69	The same as above
Net profit for the period attributable to shareholders of the Company – the reporting period	55.17	Due to the sales volume and average price level of the company's main products increased during the reporting period compared with the first three quarters of 2021.
Basic earnings per share (RMB/share) – the reporting period	54.67	The same as above
Diluted earnings per share (RMB/share) – the reporting period	56.76	The same as above
Total assets – as at the end of the reporting period	44.21	Due to Anhui YOFC Advanced Semiconductor Co., Ltd. and Broadex Technologies Co., Ltd. were included in the consolidation scope during the reporting period.
Net cash outflow from operating activities – the reporting period	Not applicable	Due to the stable supply and demand structure of the company's main business during the reporting period, and the improvement of the customer's payment collection cycle compared with the same period of last year.

### 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

19,736

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	171,609,849	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	9,150,530	1.21	0	Nil	0	Others
Ningbo Ruiying Business Management Consulting Partnership Enterprise	5,309,400	0.70	0	Nil	0	Others
Bank of Communications Co., Ltd. – Southern Growth Pioneer Hybrid Securities	4,267,568	0.56	0	Nil	0	Others
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trust • Shengli No. 5 Single Fund Trust	4,040,227	0.53	0	Nil	0	Others
Hong Kong Securities Clearing Company Ltd	2,999,572	0.40	0	Nil	0	Overseas legal person
China Construction Bank Corporation – Southern Science and Technology Innovation Hybrid Securities Investment Fund	2,269,757	0.30	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	171,609,849	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	9,150,530	RMB ordinary shares	9,150,530
Ningbo Ruiying Business Management Consulting Partnership Enterprise	5,309,400	RMB ordinary shares	5,309,400
Bank of Communications Co., Ltd. – Southern Growth Pioneer Hybrid Securities	4,267,568	RMB ordinary shares	4,267,568
China Resources Shengtuotou Trust Co., Ltd. – China Resources Trust • Shengli No. 5 Single Fund Trust	4,040,227	RMB ordinary shares	4,040,227
Hong Kong Securities Clearing Company Ltd	2,999,572	RMB ordinary shares	2,999,572
China Construction Bank Corporation – Southern Science and Technology Innovation Hybrid Securities Investment Fund	2,269,757	RMB ordinary shares	2,269,757
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 and Ningbo Ruiying Business Management Consulting Partnership Enterprise. In addition, the Company does not know whether the above other shareholders are related or act in concert.		
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, 28 October 2022

*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 2022

Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company

(Expressed in RMB)

Items	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>Current assets:</b>		
Cash at bank and on hand	4,366,776,622	2,771,270,979
Financial assets held for trading	1,402,718,549	1,530,491,700
Bills receivable	611,258,517	418,221,770
Accounts receivable	5,717,172,321	4,160,711,743
Receivables under financing	175,502,246	84,479,696
Prepayments	245,074,121	146,270,862
Other receivables	185,684,067	134,828,819
Including: Interest receivable	—	—
Dividends receivable	1,392,160	624,793
Inventories	3,109,874,916	2,763,022,541
Other current assets	281,087,536	304,514,823
<b>Total current assets</b>	<b>16,095,148,895</b>	<b>12,313,812,933</b>
<b>Non current assets:</b>		
Long-term equity investments	1,762,774,276	1,684,470,508
Investments in other equity instruments	42,348,898	50,329,539
Other non-current financial assets	59,882,883	47,470,870
Fixed assets	5,193,662,985	3,763,663,869
Construction in progress	1,520,743,540	608,357,734
Right-of-use assets	50,976,891	46,693,199
Intangible assets	1,772,627,054	314,484,005
Goodwill	835,888,455	27,145,122
Long-term deferred expenses	16,895,379	18,829,365
Deferred tax assets	262,539,151	144,414,651
Other non-current assets	477,502,953	458,977,298
<b>Total non-current assets</b>	<b>11,995,842,465</b>	<b>7,164,836,160</b>
<b>Total assets</b>	<b>28,090,991,360</b>	<b>19,478,649,093</b>



Items	30 September 2022 (Unaudited)	31 December 2021 (Audited)
<b>Current liabilities:</b>		
Short-term loans	2,296,661,188	1,717,697,001
Bills payable	1,692,697,667	940,550,221
Accounts payable	2,082,968,259	1,773,023,142
Contract liabilities	824,730,514	762,017,133
Employee benefits payable	348,256,594	260,469,853
Taxes payable	210,800,016	90,519,103
Other payables	586,589,399	452,225,764
Including: Interest payable	—	—
Dividends payable	—	—
Non-current liabilities due within one year	386,121,434	533,393,055
Financial liabilities held for trading	3,296,900	2,144,400
Other current liabilities	29,323,221	30,891,253
<b>Total current liabilities</b>	<b>8,461,445,192</b>	<b>6,562,930,925</b>
<b>Non-current liabilities:</b>		
Long-term loans	3,346,500,000	1,289,500,000
Debenture payable	484,211,418	488,075,933
Lease liabilities	38,636,119	37,516,751
Deferred income	369,720,994	281,246,701
Long-term payables	659,778,569	—
Deferred tax liabilities	279,874,592	10,583,862
Other non-current liabilities	240,363,975	223,767,404
<b>Total non-current liabilities</b>	<b>5,419,085,667</b>	<b>2,330,690,651</b>
<b>Total liabilities</b>	<b>13,880,530,859</b>	<b>8,893,621,576</b>
<b>Shareholders' equity:</b>		
Share capital	757,905,108	757,905,108
Capital reserve	2,923,340,495	3,561,131,050
Less: Treasury shares	33,653,461	33,653,461
Other comprehensive income	16,484,851	(13,001,149)
Surplus reserve	674,929,332	647,934,100
Retained earnings	5,497,140,641	4,861,682,295
Total equity attributable to equity shareholders of the Company	9,836,146,966	9,781,997,943
Non-controlling interests	4,374,313,535	803,029,574
<b>Total shareholders' equity</b>	<b>14,210,460,501</b>	<b>10,585,027,517</b>
<b>Total liabilities and shareholders' equity</b>	<b>28,090,991,360</b>	<b>19,478,649,093</b>

The head of  
the Company:

Ma Jie

The person in charge of  
accounting affairs:

Zhuang Dan

The head of  
the accounting department:

Jinpei Yang

**Consolidated Income Statement**  
**For the nine months ended 30 September 2022**

**Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company**

(Expressed in RMB)

Items	For the nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
<b>I. Operating income</b>	10,242,432,745	6,788,542,423
Less: Operating costs	7,864,954,165	5,432,404,604
Taxes and surcharges	59,628,871	24,989,962
Selling and distribution expenses	271,887,697	193,877,881
General and administrative expenses	534,806,285	421,972,621
Research and development expenses	544,429,763	320,109,506
Financial expenses	60,358,156	90,056,363
Including: Interest expenses	133,870,048	62,593,063
Interest income	49,665,104	10,144,919
Add: Other income	66,839,162	45,964,482
Investment income	45,749,409	47,140,857
Including: Income from investment in associates and joint ventures	4,679,811	37,553,096
(Losses)/gains from changes in fair value	(787,055)	320,763,360
Credit losses	(64,236,517)	(62,345,666)
Impairment losses	(38,637,850)	(67,821,984)
Losses from asset disposals	(1,443,106)	(768,484)
<b>II. Operating profit</b>	913,851,851	588,064,051
Add: Non-operating income	4,389,742	31,595,141
Less: Non-operating expenses	4,612,585	2,798,702
<b>III. Profit before income tax</b>	913,629,008	616,860,490
Less: Income tax expenses	49,801,814	40,525,292

Items	For the nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
<b>IV. Net profit for the period</b>	863,827,194	576,335,198
(1) Net profit classified by continuity of operations		
1. Net profit from continuing operations	863,827,194	576,335,198
2. Net profit from discontinued operations	—	—
(2) Net profit classified by ownership		
1. Shareholders of the Company	875,424,913	564,153,787
2. Non-controlling interests	(11,597,719)	12,181,411
<b>V. Other comprehensive income, net of tax</b>	24,639,470	(9,345,104)
Other comprehensive income (net of tax) attributable to shareholders of the Company	29,486,000	(7,317,545)
(1) Items that will not be reclassified to profit or loss	(6,783,545)	1,283,373
1. Changes in fair value of investments in other equity instruments	(6,783,545)	1,283,373
(2) Items that may be reclassified subsequently to profit or loss	36,269,545	(8,600,918)
1. Translation differences arising from translation of foreign currency financial statements	36,269,545	(8,600,918)
Other comprehensive income (net of tax) attributable to non-controlling interests	(4,846,530)	(2,027,559)
<b>VI. Total comprehensive income</b>	888,466,664	566,990,094
Total comprehensive income attributable to equity shareholders of the Company	904,910,913	556,836,242
Total comprehensive income attributable to non-controlling interests	(16,444,249)	10,153,852
<b>VII. Earnings per share:</b>		
(1) Basic earnings per share (RMB/share)	1.16	0.75
(2) Diluted earnings per share (RMB/share)	1.16	0.74

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:	The person in charge of accounting affairs:	The head of the accounting department:
Ma Jie	Zhuang Dan	Jinpei Yang

**Consolidated Statement of Cash Flow**  
**For the nine months ended 30 September 2022**

**Entity: Yangtze Optical Fibre and Cable Joint Stock Limited Company**

(Expressed in RMB)

Items	For the nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
<b>I. Cash flows from operating activities:</b>		
Proceeds from sale of goods and rendering of services	9,061,429,375	5,576,183,103
Refund of taxes	217,347,930	101,651,724
Proceeds from other operating activities	185,238,133	82,823,021
<b>Sub-total of cash inflows</b>	<b>9,464,015,438</b>	<b>5,760,657,848</b>
Payment for goods and services	(7,194,248,311)	(4,823,718,164)
Payment to and for employees	(1,007,008,939)	(676,510,049)
Payment of various taxes	(153,918,483)	(113,380,414)
Payment for other operating activities	(165,339,472)	(158,162,224)
<b>Sub-total of cash outflows</b>	<b>(8,520,515,205)</b>	<b>(5,771,770,851)</b>
<b>Net cash outflow from operating activities</b>	<b>943,500,233</b>	<b>(11,113,003)</b>
<b>II. Cash flows from investing activities:</b>		
Proceeds from disposal of investments	2,208,361,626	2,251,845,690
Investments returns received	37,931,742	24,658,792
Net proceeds from disposal of fixed assets	25,425,914	22,827,263
Proceeds from other investing activities	44,429,785	9,828,338
<b>Sub-total of cash inflows</b>	<b>2,316,149,067</b>	<b>2,309,160,083</b>
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(1,446,972,268)	(774,047,572)
Payment for acquisition of investments	(2,050,204,397)	(2,652,464,507)
Net cash paid to acquire subsidiaries and other business units	(355,687,052)	—
<b>Sub-total of cash outflows</b>	<b>(3,852,863,717)</b>	<b>(3,426,512,079)</b>
<b>Net cash outflow from investing activities</b>	<b>(1,536,714,650)</b>	<b>(1,117,351,996)</b>

Items	For the nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
<b>III. Cash flows from financing activities:</b>		
Proceeds from investors	123,848,409	226,370,000
Including: proceeds from non-controlling shareholders of a subsidiary	123,848,409	226,370,000
Proceeds from borrowings	5,298,775,127	3,910,340,550
<b>Sub-total of cash inflows</b>	5,422,623,536	4,136,710,550
Repayments of borrowings	(2,971,667,942)	(2,166,519,930)
Payment for dividends, profit distributions or interest	(352,510,052)	(222,902,028)
Payment for other financing activities	(13,096,623)	(11,095,205)
<b>Sub-total of cash outflows</b>	(3,337,274,617)	(2,400,517,163)
<b>Net cash inflow from financing activities</b>	2,085,348,919	1,736,193,387
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	86,158,276	(13,057,964)
<b>V. Net increase in cash and cash equivalents</b>	1,578,292,778	594,670,424
Add: Cash and cash equivalents at the beginning of the period	2,750,079,562	1,366,513,841
<b>VI. Cash and cash equivalents at the end of the period</b>	4,328,372,340	1,961,184,265
The head of the Company:	The person in charge of accounting affairs:	The head of the accounting department:
Ma Jie	Zhuang Dan	Jinpei Yang